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FBIS-LAT-78-120
Wednesday
21 June 1978
Vol VI No 120

DAILY REPORT

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ORIGINAL

LATIN AMERICA

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FBIS

FOREIGN BROADCAST INFORMATION SERVICE

ORIGINAL

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ANDEAN DEVELOPMENT CORPORATION ENDS SESSION IN CARACAS

PA201201Y Madrid EFE in Spanish 0130 GMT 18 Jun 78 PA

[Text] Caracas, 17 Jun (EFE)--The 14th period of sessions of the Andean Pact's financial organ concluded today in Caracas with the appointment of Peruvian Integration Minister Gabriel Lanatta as president of the directorate and assembly of the Andean Development Corporation [CAF]. The Peruvian minister replaces Ecuadorean Integration, Commerce and Industry Minister Galo Montano. The term is for 1 year, and the post is rotated in alphabetical order among Bolivia, Colombia, Ecuador, Peru and Venezuela.

The CAF's 14th period of sessions since Tuesday had been discussing important matters for the development of the institution. Among the decisions adopted is the appointment of an executive vice president. Cesar Salazar Cuervo, director general of the Venezuelan Foreign Trade Institute, was appointed. The directorate also approved the financial statements for 1977 and authorized a fourth issue of CAF bonds for \$30,000 [as received] for sale to central banks of the Andean subregion.

It also took note of several documents which were presented as "criteria and norms which guide the policy of the institution," "evaluation of the CAF's financial capacity through 1892," "determining the priorities and use of resources," "norms for the analysis of the content of integration" and "priority criteria for action by CAF." At the same time, there was discussion and approval of several increases in the capital stock participation of the CAF in companies such as Agroquimica, S.A.; Aquila, S.A., composed of investors from the Andean group and Argentina; and Proindustrialce, involving industrial projects along the Colombian-Ecuadorean border.

Other resolutions authorized the extension of the capitalization deadline of the company Sociedad Boliviana de Cemento and amended the regulations of the executive committee so that it can approve individual credit operations, both active as well as passive, of up to \$30 million.

The ninth assembly of stockholders was held after the debates, which left several matters pending for solution by the new directorate. A meeting of the executive committee was called for 27 June in Caracas, headquarters of the CAF, to discuss operations up to \$30 million.

URUPABOL EXPERTS MEETING POSTPONED INDEFINITELY

PY171759Y Paris AFP in Spanish 1419 GMT 17 Jun 78 PY

[Text] Montevideo, 17 Jun--It was officially announced here today that the meeting of experts of URUPABOL, the trilateral integration pact of Uruguay, Paraguay and Bolivia, has been suspended indefinitely. The meeting was to have been held here beginning 22 June.

A communique issued by the Uruguayan Economy and Finance Ministry says that the seventh URUPABOL meeting will not be held as planned since none of the countries can attend.

URUPABOL was created to promote the integration and development of the three countries, but formal rules for its functioning have not yet been drawn up.

FOREIGN MINISTER INVITES IHRC TO MAKE FIRSTHAND INSPECTION

FY202130Y Buenos Aires TELAM in Spanish 1900 GMT 20 Jun 78 FY

[Text] Washington, 20 Jun--Argentine Foreign Minister Oscar Antonio Montes today officially conveyed to the OAS Inter-American Human Rights Commission [IHRC] an invitation to visit Argentina and study the existing legal conditions.

Upon receiving the invitation, Andres Aguilar, president of the Human Rights Commission, emphasized his good will and stressed that the proposal will be given due consideration.

Upon inviting the Human Rights Commission to travel to Argentina, Montes said: "My presence here is clear proof that the Argentine Government assigns great significance to the maintenance of close cooperation and a constructive dialog with this commission.

"The Argentine Government believes that this is necessary and appropriate for the better fulfillment of the responsibilities which both the Human Rights Commission and the governments have with regard to the enforcement of respect for human rights in the area. In this regard the Argentine Government is pleased by the good will shown by the commission toward the development of serious dialog about the situation which prevails in Argentina. The situation is marked by the implementation of exceptional measures which had to be implemented in line with the legitimate right which every country has to defend itself against terrorist attacks," stated Montes.

He concluded by saying that "as part of this dialog and in line with the basic principles outlined in the OAS Charter, my government wishes to offer the Inter-American Commission for Human Rights the opportunity to make an in-depth study of the matter by making a visit to Argentina in order to see the existing legal conditions on the spot."

ANALYST REVIEWS STATE OF RELATIONS WITH U.S.

FY202218Y Buenos Aires THE REVIEW OF THE RIVER PLATE in Spanish 9 Jun 78 p 845 FY

[Santos Goni Demarchi: commentary: "Carter's Erroneous Approach"]

[Text] U.S. Ambassador Raul Castro has stated in Cordoba that Argentine-U.S. relations "are improving" in view of the "good will shown by the two parties." He noted that "the human rights issue has been overused" and that "it is not necessary to continue discussing it." A few days prior to this statement, President Videla sent a message to President Carter expressing his conviction that relations between the two countries offered a wide framework for cooperation. Ambassador Castro's statement reportedly coincides with the objective which diplomatic analysts assign to President Videla's message, since they see in Videla's speech the desire to end speculation regarding the deterioration of relations between the two countries. They also feel that the cooperation which Videla sees as a possibility would be put in practice as soon as he decides to ratify the Tlaltelolco treaty, which provides for the denuclearization of Latin America. This would be the first step toward overcoming the "impasse" in current ties between Buenos Aires and Washington. The optimism expressed by these positions, however, has not been matched by the White House.

It is not known if there has been a reaction to the Argentine expression of good will. Unconfirmed reports indicate, however, that an answer was received reiterating the well-known position on human rights and the democratic institutionalization of Latin America. It should be kept in mind that Carter has the support of Congress on this issue. The Congressional support for Carter's leadership regarding this aspect of his Latin American policy makes him stronger in America.

The vague available information on the mission of Under Secretary of State Newson, on President Videla's message to the U.S. President, and on the complaint made by Ambassador Aja Espil to Under Secretary of State Warren Christopher prevents an appropriate assessment of this aspect of vital importance to Argentine foreign policy.

Using words which were considered to make direct reference to the U.S. position regarding Argentina, Brig Gen Orlando Ramon Agosti stated: "We are becoming alone in an area of the world considered to be negotiable by those who we thought were our allies." Made only 24 hours after Newson's departure, these remarks were considered an expression of current thinking in some Argentine sectors on Carter's position. The discreet silence kept in this regard, both by Newson and Argentine officials, has created a grave concern about the future of relations between the two countries, the importance of which was stressed by Aja Espil's complaint and Agosti's remarks. Observers mindful of the situation refer also to the pressure exerted by Washington regarding human rights, including intensification of the demand to return to elected governments. They also recall that in the case of armaments, the pressure was so crude that it deserved rejection by the Argentine Government. This will become even more complicated when the Humphrey-Kennedy amendment to the 1961 law goes into effect on 1 October, which provides for the total freezing of loans to Argentina to purchase weapons, and add to this the U.S. Government decision not to grant any Eximbank loans for the Yacyreta-Apipe project and the probable repercussions of this decision on other financial sectors. This situation shows the serious obstacles to normal relations with Washington.

Carter's position vis-a-vis Argentina is not an isolated case in his inter-American policy. Contrary to the statement of his adviser Zbigniew Brzezinski--that emphasis is now placed on bilateral relations with each Latin American country--Carter continues the policy of previous U.S. governments, which "implemented a single approach for a diversified region." The application of his policy on human rights and democratization to all of Latin America--without even considering its implications regarding violation of the principle of nonintervention--is far from reflecting the asserted bilateral relations. In Argentina's case, this position has served to lead bilateral relations to their lowest point, almost to a crossroad. As far as Latin America is concerned, these pressures can only undermine the dikes which, with all their imperfections, hold back the advances of the international leftist.

Despite this desolate picture of U.S.-Argentine relations, the optimism shown in Ambassador Castro's statement may become a reality. Washington is experiencing a blindness which does not allow it to see with clarity that the priority problems of Latin America are not human rights or the institutionalization of its political regimes, although these are important. It is hoped, however, that Viron P. Vaky, the new assistant secretary of state for inter-American affairs, who is one of the few experts on the true situation afflicting Latin America, will make his government aware that Latin America has high inflation, a balance of payments deficit, low prices for its resources, and a shortage of markets--which are gradually closing--among many problems of equal importance. President Carter should preferably concentrate on these issues, since only their solution will solve those issues which worry him most.

VISIT TO U.S. BY TWO PCA LEADERS REVIEWED

PY202229Y Buenos Aires LA NACION in Spanish 18 Jun 78 p 14 PY

["Political Week" column]

[Excerpt] While President Carter is becoming more amenable to Brzezinski's advice for a harder line regarding the Soviet Union, an extraordinary event has happened within the Argentine Communist Party [PCA]. For the first time since its creation in 1920 two of its principal leaders have been able to enter the United States.

The old official apparatus of Argentine communism has traditionally been considered one of the more consistent followers of the changing policies outlined in Moscow. So-called "Eurocommunism" has been openly attacked by the PCA in its official literature.

Communist sources disclosed that Fernando Nadra and Athos Fava, two of the most active members of the party's Executive Committee, traveled throughout the month of May all over the United States in answer to an invitation from the Communist Party of the United States [CPUSA]. These sources complained that the redtape in granting the visas at the U.S. consulate in Buenos Aires took 2 and 1/2 months; but the complaint completely loses its basis when it is taken into account that Nadra and Fava are the first PCA leaders to enter U.S. territory in nearly 60 years, at least under their own names.

There is no information on whether any Uruguayan, Chilean or Brazilian communist leaders have ever entered the United States. Neruda [Pablo Neruda, Chilean communist and winner of the Nobel Prize for Literature] may have been the exception, but his is a case which can be placed more in the cultural field than in the political field, and besides, it was Neruda. It is more than obvious that the 2-and-1/2 month period which it took the U.S. consulate to grant the visas for Nadra and Fava was due to the fact that the intervention of the U.S. security services was deemed necessary, as was a State Department policy decision.

Ford executives in Argentina will surely be interested to know that Nadra and Fava visited the principal plant in Detroit. The two of them traveled to New York, Chicago, San Francisco, Los Angeles and, in addition, visited Hollywood, but--although it is only a step away--they abstained from visiting Disneyland, according to a PCA source.

The political contacts of these communist leaders were not limited to talks with their U.S. colleagues, but what certainly calls the attention is the fact that at no time were they able to talk with Republicans, their only talks being held with Democrats. One of them was Tom Harkin, Congressman from Iowa, who the Argentine Government remembers very well because he was the sponsor of an amendment which has made Argentine-U.S. relations difficult.

If the Soviet-Cuban intervention in Africa continues to strengthen Brzezinski's position and weaken that of Andrew Young, U.S. ambassador to the United Nations, and if all this leads to a reorganization of NATO strategy, of Soviet-U.S. relations and, in short, to a reformulation of western policy on the South Atlantic, it does not seem that in the immediate future conditions would favor the two pro-Soviet Argentine communists being granted their visas for entry into the United States, even in 2 and 1/2 months.

ARGENTINA COMPLETES TRADE AGREEMENTS WITH ARAB FIRMS

PY201815Y Buenos Aires LA RAZON in Spanish 17 Jun 78 p 4 PY

[Text] Aimed at opening new markets independent from traditional ones, ways to implement the agreements with Saudi Arabia, Kuwait and the United Arab Emirates for the export of Argentine meat are under study. This subject was discussed by officials of the Argentine Corporation of Meat Producers [CAP] during a press conference attended by Agriculture and Livestock Secretary Mario Cadenas Madariaga. During the meeting--which began after newsmen waited 35 minutes for the officials--engineer Luis Garzo, CAP coordinator for trading and services, stated that success with the Arab countries is possible thanks to the cooperation of our diplomatic representative in Riyadh, our Foreign Ministry and Saudi Arabian Ambassador Nazir. Garzo explained that agreements were finalized with Khalifa al-Gusaybi cold stones firm from Saudi Arabia; Ahmada al-Adwani firm from Kuwait; and the group headed by 'Abd Al-Wahad Galadari from Dubai, United Arab Emirates. CAP will provide the first firm with technological aid. The agreement also provides for the study of construction of cold storage facilities, meat processing installations and related installations. The plant will be managed and administered by CAP personnel. A binational entity will be created with the Ahmada al-Adwani firm for similar aims. This firm has the advantage of already having its own installations. In the third case, the Dubai firm also has freezer and cold storage installations, with an estimated 3,000-ton capacity. It was pointed out that the opening of new markets will not be restricted to food products. Provided Argentine exporters fulfill their commitments regarding quality and delivery schedules, etc., exports will be expanded to other lines such as engineering projects, construction enterprises, construction materials, etc.

LA NACION ASKS CAREFUL STUDY OF NUCLEAR OPTIONS

PY202209Y Buenos Aires LA NACION in Spanish 19 Jun 78 p 6 PY

[Editorial: "Our Nuclear Options"]

[Text] Argentina has a very clear position regarding nuclear energy. Argentina certainly holds a well-known position in nuclear achievements and technology. Shortly after the new national authorities took over, the National Atomic Energy Commission [CNEA] outlined a policy whose fulfillment was enforced with the conviction that it was essential for the peaceful development of the nation and the advantage of the entire region. But there is nothing to indicate that this policy has objectives contrary to the clearly stated desire of many people to not incorporate--or improve if they already exist--nuclear weapons in the arsenals of countries.

The intention of finding a solution to the intensifying energy crisis which the entire world is experiencing, through the use of nuclear energy, which is a resource having undeniable advantages and uses, is viewed suspiciously. A biased international campaign, raised against countries outside Soviet influence, is carried out in various forms and through the use of various methods. Since these protests come from a sector of public opinion which is divided into those who are afraid and are wrong, sincere ecologists, and overt or covert agents of Leninism who are trying to weaken democracy, the issue is not so disturbing--as long as the sensibility of the people who are susceptible to being dazzled or blinded by spectacular events is not underestimated.

There is another very serious issue: the monopolistic aspirations of the United States and the Soviet Union which have been followed by other countries which seem to have discovered a sudden urgency in demanding that Argentina meet requirements which are outside international commitments. To our country, this issue is of specific and serious relevance. The so-called third option, a term attributed to the Canadian nuclear policy, is a priority in the plans of the CNEA. The CNEA holds to this priority through the agreed Canadian participation in the Rio Tercero nuclear plant. Some difficulties have been overcome or are in the process of being overcome. This cooperation is undoubtedly the result of U.S. and Soviet parallelism and of Canada's desire to be different from its neighbor and its need for greater future trade, since outside wheat production there is not substantial competition [between Argentina and Canada].

At this stage of its administration the CNEA faces construction of the Atucha II nuclear plant, and the line to be adopted for this plant has not been yet decided. There are two options: Canadian or FRG. It is obvious that the final decision is extremely important for both Argentina and the two supplier countries, since the Argentine nuclear program does not end with Atucha II or Rio Tercero. Neither is it appropriate to disregard other nuclear plants of other countries in the region. The peaceful application of nuclear energy presupposes political safeguards and commitments. We would be mistaken not to study extensively how the suppliers have met contract obligations, and the advantages and disadvantages of each option. The importance of this to future development of the nation demands unbiased analysis. We have the necessary elements to do so. In view of the interests at stake, it would be senseless to forget it.

MEDICAL GROUP SAYS HUMAN RIGHTS NOT VIOLATED

PY201412Y Buenos Aires TELAM in Spanish 0838 GMT 20 Jun 78 PY

[Excerpts] Buenos Aires, 20 Jun--The text of a note sent by the Buenos Aires National Academy of Medicine to similar entities in Europe and the United States was disclosed in diplomatic circles. The note denies rumors circulating abroad regarding the situation in Argentina.

These rumors reported on violations of so-called human rights, the persecution of scientists and a general atmosphere of insecurity which would make it inconvenient for foreign scientists to participate in the international cancer congress which is to take place in our country.

In its note, the National Academy of Medicine asserts that at no time were its members and scientific, technical and auxiliary personnel [more than 200 people] deprived of their freedom or restricted in their professional activities by the government or by isolated individuals. The note then emphasizes that the atmosphere of public security has improved substantially, that the kidnaping of important people and officials by terrorists does not occur any more and in this sense Buenos Aires and other Argentine cities are no less secure than any large European or U.S. city.

Copies of the note, signed by Dr Jose E. Rivarola, president of the Buenos Aires National Academy of Medicine, and Dr Julio V. Uriburu, secretary general, have been sent to the National Academy of Medicine of Paris, the Academy of Sciences of France, the National Academy of Sciences of the United States and the American Association for the Progress of Science. The text was approved by the Academy's 35 members.

ADRIAZOLA LEAVES FOR OAS GENERAL ASSEMBLY

PY201925Y La Paz Radio Fides in Spanish 1130 GMT 20 Jun 78 PY

[Text] Foreign Minister Oscar Adriazola Valda left for Washington last night by a regular Braniff flight. He left in order to attend the OAS General Assembly which begins its sessions today. Foreign Minister Adriazola will make a speech on Friday.

The Bolivian delegation will be formed by the foreign minister, (Fernando Ortiz), Bolivian ambassador to the OAS, and (Carlos Uneri), secretary of our mission to the OAS.

DOCUMENT BARES MILITARY'S PLEDGE TO GUARANTEE PEREDA VICTORY

PA210417Y Havana International Service in Spanish 1800 GMT 20 Jun 78 PA

[Text] A confidential document released in La Paz reveals that the Bolivian Armed Forces and the Hugo Banzer regime have promised to guarantee the victory of Gen Juan Pereda Asbun, the official candidate in the 9 July elections.

The document refers to agreements reached during a meeting of the Bolivian high military leadership in April. Upon learning of these secret agreements, opposition forces said that this confirms the charge that the military has convened elections in order to continue in power under a legal disguise and with a less repressive image.

FRI LEADER PROTESTS CAMPAIGN HARASSMENTS

PY201213Y La Paz Radio Panamericana Network in Spanish 0000 GMT 20 Jun 78 PY

[Text] Manuel Morales Davila, leader of the Revolutionary Front of the Left [FRI] has stated that "the restriction of freedoms within the current process of constitutionalization which the country is experiencing has become intolerable."

Morales Davila made this remark with regard to recent events which took place in the town of (Arbieto) where candidates Casiano Amurrio and Domitila de Chungara were harassed by drunken peasants.

Morales Davila indicated that the FRI will seek to establish a committee of several political parties interested in securing broad guarantees for this process of constitutionalization.

[begin Morales Davila recording] We will try to form a committee of all parties and fronts which are participating in these elections in order to secure full guarantees. However, if we find it impossible to obtain these guarantees we will be forced to take drastic steps with regard to this problem. [end recording]

Morales Davila stated, among other things, that the FRI has done nothing to jeopardize the current process of constitutionalization. He stated that if citizens' freedoms continue to be restricted in the country the FRI will not participate in the political masquerade in which, according to him, Hugo Banzer Suarez' government is involved.

[begin Morales Davila recording] We are not the ones who are jeopardizing the electoral process. The government is the one that should be blamed for this. We are participating in the elections in order to protect the rights of our people, the right of the people to elect their government. However, if it becomes obvious that an attempt is being made to restrict our right to an election and that we are only being allowed to participate in a political masquerade, I say that we want to have no part in this farce. We will make this known at the international level and will also implement domestic measures. [end recording]

The FRI leader also stated that his front will demand that the electoral court provides guarantees for campaigning in rural areas because the country is controlled by the military-peasant pact which is orchestrated by the Ministry of Agriculture and Campesino Affairs.

[begin Morales Davila recording] All I can tell you as member of the FRI Executive Board is what was discussed this morning during a meeting of the board. We decided to submit a strong recommendation to the Central Committee to implement drastic measures if we are not given absolute guarantees to campaign in rural areas. If we fail to obtain these full guarantees which we are currently seeking from the electoral court, it will be up to the Central Committee to decide how to avoid being involved in this political masquerade. [end recording]

GOVERNMENT, DIVISION COMMANDER CRITICIZE CHILEANS

PY202311Y Buenos Aires LA RAZON in Spanish 16 Jun 78 p 1 PY

[Text] La Paz--Bolivian Government officials reacted with "bewilderment, astonishment and indignation" to the recent remarks made by Chilean President Augusto Pinochet, who said that "Bolivia never had access to the sea." According to reliable sources, the possibility of an official answer to his remarks was being studied by Bolivian high government levels. The Presidential Information Secretariat released a commentary harshly criticizing President Pinochet's attitude. The official editorial, broadcast over the state-owned television (the only television in the country) under the title "The Fallacy of a Leader," is a government level reaction to the release of an interview with the Chilean president by Spanish reporters. According to the commentary, Pinochet's remarks "are not true, are full of lies and exaggerations and also distort--not necessarily due to ignorance--historic events which are not only on the conscience of the people of the Americas but are written in historical documents and treaties." In Cochabamba, Gen Ramon Azero, commander of the 7th division headquartered in this city, harshly criticized remarks made by Chilean admirals Jose Toribio Merino and Jose Moreno. A communique released by General Azero stated: "We categorically repudiate and reject the insolent and provocative remarks made in the last few days by Chilean admirals Jose Toribio Merino and Jose Moreno, arrogant representatives of the Chilean Navy." General Azero came out in defense of Gen Alfonso Villalpando, commander of the Bolivian Army, who made remarks in Argentina a few weeks ago and caused the criticism from Chilean officials. The general states: "Due to the frequent publications by the Chilean press, orchestrated by the government's military junta in a campaign of lies aimed at distorting truth and undermining the irrevocable maritime aspiration of the Bolivian people, we are obliged to deliver this statement to the public." Azero indicated that the communique had the full support of the entire garrison under his command. When the local press learned of the statement, it expressed surprise at the harshness with which it also criticized the Chilean economic crisis and emphasized the international support for Bolivia's maritime aspiration.

MINING INDUSTRY IN DEPRESSED STATE

FY201510Y La Paz Radio Panamericana in Spanish 1130 GMT 20 Jun 78 FY

[Text] Bolivian mining is passing through a stage characterized by the almost total exhaustion of the most important mineral deposits of the country, by the failure to develop new reserves to replace them and a tendency to accept a lower grade of purity and a greater complexity of minerals.

According to the last bulletin issued by the Association of Bolivian Medium Miners, the mining industry of the country is now facing an uncertain future. The data published by the bulletin, on which the association is basing its concern, are the following: tin production, (?64) percent of total Bolivian exports of mining products, has been reduced in the last few years to half what it was in 1929, about 51 years ago [as heard]. The Bolivian share of world mineral production at the same time has decreased to half what it is was in 1950.

The uncertain future of Bolivian mining from the point of view of private enterprise is caused by a tax system which is not suitable under present circumstances, high operation costs, low productivity, unstable metal prices on the world market and the high risk involved in mining activities, particularly during the exploration stage.

The bulletin recommends that a technical study should be made to justify the installation of new, modern and effective mining centers which insure new production which will benefit the country.

It concludes by saying that financial support for exploitation should come from state funds, taxing incentives for exploration and credits from international finance organizations.

VILLALPANDO DENIES ARMY RAID ON RADIO STATION

FY200400Y La Paz Radio Cruz del Sur Network in Spanish 2330 GMT 19 Jun 78 FY

[Text] Army Commander Gen Alfonso Villalpando has denied that members of that military institution participated in an alleged raid on Radio Agricultura in Achacachi. [words indistinct] the armed forces would not do anything like that, since we are not authorized to take such action. On the contrary, it would involve going against what we call for--that is, tranquillity and order in the electoral process.

He recalled that to support to institutional laws and what is established by the (?electoral) court, the army will fulfill its task. We will maintain order and will guarantee the elections, he said.

Achacachi citizens and campesino leaders, however, repeated their previous charges that the radio station in this town had been occupied by military forces.

FINANCE MINISTER CITES ECONOMIC DIFFICULTIES

FY191735Y La Paz Radio Panamericana in Spanish 1130 GMT 19 Jun 78 FY

[Text] Bolivian monetary reserves--between \$180 and \$190 million--guarantee the stability of the Bolivian peso, but problems of inflexibility in private banking, decrease in exports and other problems are causing economic difficulties. This was stated by Finance Minister David Blanco, who claimed these problems were due to the dollar demand registered during the last few weeks, the scarcity of staples and the increase in prices.

Blanco explained that the reserves include funds on the free exchange, gold estimated in accordance with the international scale, and other sources, among them various local deposits.

Blanco maintained that the reserve situation is in a favorable position and that a review of economic statistics has shown that the monetary issuances during the first 5 months this year are below estimates. In 1977, the monetary issuances fluctuated between 5 and 6 percent during the first 5 months, whereas during the same period in 1978 it reached 4 percent, according to the statement by the finance minister.

He also mentioned that inflation rates are now favorable as compared with past years. In 1977, the inflation rate was 10.8 percent. This year, it will be only 8.6 percent.

David Blanco reasserted that the Bolivian economic situation is very good because no international loans were taken out this year. The country's foreign debt has thus been reduced.

BRIEFS

SATELLITE COMMUNICATIONS SYSTEM--An antenna and ground station which will serve a satellite communications system are expected to be ready by December. Some 80 percent of the equipment has already arrived from Japan. The design was made with the advice of experts from the International Telecommunications Union and the Spanish Telephone Company. The installation contract totals \$5,349,000 and includes training Bolivians to handle the system. [La Paz Radio Panamericana in Spanish 1130 GMT 12 Jun 78 PY]

ITC PANEL IN BANGKOK--The economic panel of the International Tin Council [ITC] will begin a meeting today in Bangkok, Thailand, aimed at reconsidering tin production costs and prices in international markets. Bolivia will be represented at this meeting by Rolando Jordan, director of the economic and political division of the Mining and Metallurgy Ministry. Representatives of producing countries will also attend this meeting, aimed at preparing a report to be used at the ninth ITC meeting to be held in London 11-14 July. [La Paz Radio Panamericana in Spanish 1130 GMT 12 Jun 78 PY]

TIN PRODUCTION DECREASES--Tin production during the first quarter of 1978 decreased quite a bit compared to the same period in 1977 as a result of decreased foreign sales. Overall tin production during the first quarter was 6,982 tons, down 17 percent compared to the same period the previous year. This drop was also caused by rumors of a possible decrease in prices abroad due to U.S. announcement that it would dump a considerable amount of its strategic reserve. [La Paz Radio Panamericana in Spanish 1130 GMT 12 Jun 78 PY]

TITA CAMP OIL PRODUCTION--Occidental Boliviana Inc, the first Bolivian Government Oil Deposits [YPFB] contractor to find hydrocarbons, is at present producing 3,500 barrels of crude oil at Tita Camp, near the Izozog swamps, southeast of Santa Cruz City. Under the contract terms, more than \$45 million has been invested so far in prospecting by air and in the drilling of 16 wells. This contract is for 30 years. The contractor has used 4 years in exploration work. Because of its finding, the contractor has returned to YPFB 50 percent of the working area. In recent months, an oil pipeline and a gas pipeline were built to transport the hydrocarbons from Tita Camp. [La Paz Radio Panamericana Network in Spanish 0000 GMT 14 Jun 78 PY]

PERIODIC CONSULTATIONS TO BE HELD WITH FRG

PY162332Y Brasilia Domestic Service in Portuguese 2200 GMT 16 Jun 78 PY

[Presumed text of official note released by Brazilian Foreign Ministry in Brasilia on 16 June]

[Text] Pursuant to the spirit of traditional friendship linking the two peoples, aware of the significance cooperation has in every area for the two countries, reaffirming the principles of sovereignty, the equality of all states and nonintervention by one state in the internal affairs of other states and that threats and force must not be used in international relations, with the conviction that a continued dialog among leaders of the two countries will markedly contribute to implementing their policies, Brazil and the FRG have decided to hold periodical consultations, which will in no way replace or jeopardize the contacts and methods of negotiations now existing between the two states.

These consultations will be held under the following conditions: As a rule, annual consultations will be held on current foreign policy issues which from the bilateral or multilateral viewpoint may be of interest for both the Federal Republic of Germany and the Federative Republic of Brazil.

Consultations will be held alternatively in the FRG and Brazil, and the dates will be jointly determined through diplomatic channels. These meetings will be chaired by the foreign minister of the host country, and the two ministers will head their respective delegations. Each delegation will include the specialists it may consider necessary considering the issues included in the agenda.

In addition to ministerial consultations, informal consultations on issues of common interest will be held annually, as a rule, among planning advisers or teams of the two ministries.

In addition to the consultations mentioned in items 1 through 7 [as heard] the intensive diplomatic exchange of viewpoints which is now underway will be continued. In exceptional cases, the two ministers will meet immediately.

NETHERLANDS WILL SHIP URANIUM TO BRAZIL IN 1981

PY201713Y Porto Alegre Radio Gaucha in Portuguese 1545 GMT 20 Jun 78 PY

[Text] Although demands of the parliament had not been met, the Netherlands Government has confirmed its intention to supply enriched uranium to Brazil beginning in 1981.

STUDY OF NEW MILITARY AGREEMENTS WITH U.S. DENIED

PY202359Y Rio de Janeiro O GLOBO in Portuguese 17 Jun 78 p 7 PY

[Text] Brasilia--Armed Forces Chief of Staff Gen Tacito Theophilo Gaspar de Oliveira confirmed yesterday, after ceremonies commemorating the day of the veterinarian, that the joint Brazilian-U.S. military mission will be closed on 19 September 1978.

General Tacito stated that no studies are underway on any new military agreement between the United States and Brazil, but he emphasized "the excellent relations between Brazilian and U.S. military officers."

According to General Tacito, "the development of national military industries will allow them to supply the needs of the Brazilian Army very soon."

He said: "We are manufacturing our own tanks and even our own parachutes. Our efforts are aimed at the development of Brazilian military industries, and IMBEL (Brazilian War Materiel Industry) is a great step forward in this regard."

The armed forces chief of staff also stressed the significance of foreign sales of the Brazilian Bandeirante airplane (manufactured by EMBRAER [the Brazilian Aeronautics Company]) and of Brazilian military industry in general.

JORNAL SEES CARTER SWITCH ON CUBAN INVOLVEMENT IN AFRICA

FY200120Y Rio de Janeiro JORNAL DO BRASIL in Portuguese 19 Jun 78 p 10 PY

[Editorial: "A Tedious Game"]

[Text] Had it not been for expectations as to the attitudes the United States and Cuba would adopt regarding the deteriorating situation on the Eritrean front, this game of truths and lies in which President Carter and Fidel Castro are engaged would seem, above all, a distasteful pantomime. It is obvious that the Soviet Union, and consequently Havana, is interested in causing political instability in Zaire. It is unquestionable that Katangan rebels have been, for the past 2 years, armed and trained by Cuban forces stationed in that region with the acquiescence of the Luanda regime. Therefore, it would be irrelevant to determine whether the Cubans were directly or indirectly involved in the recent unsuccessful attack. It is equally obvious that President Carter will never be able to fully disclose his information or his source because if he exposed them to the public, they would become useless.

This incident reveals the depth of the shock caused by the Vietnam war. It also reflects the power of the communications media, and the disagreements--including those of an ideological nature--separating the various sectors of opinion, political groups and the presidential "entourage." A clear retreat has been observed in President Carter's position on the attitude to be adopted regarding the undisputed fact that Cuban and Soviet military forces are established in Africa: From the speech he delivered before the NATO council and the one he addressed to cadets in Annapolis, to the press conference he held in reference to Castro's reaction, it could be said that he went from accusing the Cubans of involvement in the operation carried out in the south of Zaire to stating that Havana had not effectively opposed the invasion.

This duel between the two chiefs of state will not yield any concrete results. Kissinger's unsuccessful attempt at helping Carter by proclaiming that a U.S. president always speaks the truth was to no avail. At least, based on historical facts, no one would dare to make this assertion about the president under whom Kissinger served....

The thing is that the results obtained are anything but concrete. This is the problem. There is now uncertainty again as to the attitude the United States will finally adopt from now on regarding Cuban and Soviet military involvement in Africa--involvement which Castro did not dare to question and which Moscow is confirming every day.

It will not be sufficient to merely provide contingent economic support to African countries, leaving them free but disorganized to defend those very interests shared by the United States, especially because President Giscard d'Estaing has already stated that France will no longer continue to face this situation alone.

While it would not seem positive to withdraw from the integrated force which is now being formed to reject the invading armies, accepting Brzezinski's [as published] far-fetched support for the faction which believes that the presence of Cuban troops in Angola is a stabilizing factor could result in irreversible concessions.

FIGUEIREDO SAYS HE WILL RESPECT HUMAN RIGHTS

PY160233Y Paris AFP in Spanish 0125 GMT 16 Jun 78 PY

[Text] Brasilia, 15 Jun--Gen Joao Baptista de Figueiredo, the official candidate for president of Brazil, stated here today that he will make every effort to have human rights respected in the country during his government. Figueiredo, who is leaving office as chief of the National Intelligence Service today, made this statement on bidding farewell to newsmen accredited to the presidency.

Asked what attitude his government will take regarding strikes and human rights, Figueiredo said that strikes will be dealt with in accordance with the law and emphasized that violations of human rights will be prevented. Figueiredo said: We will make every effort to guarantee respect for human rights, but since it is equally necessary that justice be served, baseless accusations should not be made.

Asked about the possible support of National Renewal Alliance [ARENA] dissidents for an opposition candidate for governor of Sao Paulo State due to their disagreement regarding the candidate elected by the ARENA Sao Paulo State convention, Figueiredo said that the party loyalty law must be respected.

In reply to a question regarding opposition to his candidacy within the armed forces, Figueiredo said: I do not see any opposition within the armed forces because it is not my duty to see what is happening in that area. He added that this mission is entrusted to the chief of the armed forces staff and to the military ministers. He added: I do not try to see anything: I merely try to understand. He also stated that the possible nomination of Gen Euler Bentes Monteiro (ret) for president by the opposition party would not reflect disagreements in military sectors over the Brazilian political process.

Figueiredo also considers that Brazil maintains good diplomatic relations with South American countries, noting that, even though there may have been occasional misunderstandings, relations are good.

He termed President Ernesto Geisel's decision to establish diplomatic relations with the PRC correct, since no one can ignore a country with 900 million people. He added that ideologies should not be taken into account in international trade.

Finally, he stated that the date he will deliver his first political address to the nation has not yet been confirmed. It was reported today, however, that he will make this speech on 29 June.

ROLE OF FUTURE CONSTITUTIONAL COUNCIL EXPLAINED

PY160146Y Porto Alegre Radio Guaiba in Portuguese 2150 GMT 15 Jun 78 PY

[Text] Brasilia--Francelino Pereira, president of the National Renewal Alliance [ARENA], today informed the members of the ARENA national executive board that a constitutional council will be created which will be consulted by the president in decreeing the state of emergency.

This council will be chaired by the president himself and will consist of the vice president, the presidents of the federal Senate and the federal Chamber of Deputies, the justice minister and a representative of the armed forces. Pereira noted that the procedure for appointment of the armed forces representative has not yet been established.

Deputy Luiz Prisco Viana [Bahia State], spokesman of the ARENA executive board, stated that Chapter 5 of the national constitution [presumably under the constitutional reforms being proposed by Senate President Petronio Portella], in addition to setting up the constitutional council, will establish the requirements for decreeing the state of siege--that is, requesting approval of the National Congress--and for the adoption of emergency measures.

The president will be empowered to adopt emergency measures, without consulting anyone, in cases in which either the state of siege or the state of emergency are not justified. A decree adopting emergency measures will have to specify which of the coercive measures authorized under the state of siege will be enforced.

PETROBRAS TO INCREASE OIL EXPLORATION FUNDS

PY161727Y Sao Paulo Cadeia Verde Amarela in Portuguese 1000 GMT 16 Jun 78 PY

[Alberto Tamer commentary: "PETROBRAS Oil Exploration Program"]

[Text] The Brazilian Petroleum Corporation [PETROBRAS] executive board presented yesterday an oil exploration plan to the Brazilian Base Industries Association and to the Brazilian Electronic Industry Association. This plan calls for investment of \$5.3 billion in oil explorations in Amazonas, Bahia, Espirito Santo and Campos. PETROBRAS has high hopes of finding more oil in Amazonas, where it now has one drilling rig and where it discovered gas. PETROBRAS intends to increase the number of drilling rigs to 10 and to invest \$1.2 billion over a 4-year period.

But there are two other highly promising areas, Campos and Espirito Santo. In Campos PETROBRAS promised to invest \$2 billion over a period of 3 to 4 years; 60 percent of this will go for purchases from Brazilian industry and the balance from abroad. We ask our listeners to take note of these figures: \$5.3 billion total, but only \$2 billion in Campos. We must emphasize that these investments will be made only in exploration to determine whether we have oil in these areas and how much. They do not cover expenditures to extract the oil. Considering that \$1 invested in exploration requires \$6 to extract it, we would need from \$30 to \$40 billion to bring that oil into use should the whole operation turn out to be successful.

But at any rate, PETROBRAS has now decided to concentrate its efforts in the four most promising oil-bearing areas in the country. We still do not know where we are going to find the \$5.3 billion, but the decision represents a definite effort to determine where we have oil. Still we have to seek at least another \$15 billion over the next 10 years to extract the oil which we expect to discover by investing this \$5.3 billion now.

BRIEFS

CENSORSHIP CONTINUES--The cultural magazine (INEDITOS), which is published in Belo Horizonte, continues to be censored and is facing serious financial problems. (Fernanda Coladarantes), editor of the magazine, spent the day in Brasilia but was unable to obtain any specific information on the lifting of the censorship. [Text] [Porto Alegre Radio Guaiba in Portuguese 0200 GMT 10 Jun 78 PY]

CHILE SAYS BOLIVIAN OUTLET ISSUE NOT SUBJECT FOR OAS

PY191908Y Santiago Chile Domestic Service in Spanish 1730 GMT 19 Jun 78 PY

[Excerpts] The OAS General Assembly will discuss the two most important issues in Latin America: human rights and terrorism. Furthermore, it is believed that the Chilean delegation will necessarily have to discuss the Bolivian landlocked situation. This can be deduced from the consistent announcements issued in Bolivia stating that Bolivia will present this issue for discussion at the multilateral level.

The Chilean Government, however, has reiterated its position that this issue must be negotiated at the bilateral level by national representatives and prior to the reestablishment of diplomatic relations.

PDC LEADER RETURNS FROM VOLUNTARY EXILE

PY201157Y Paris AFP in Spanish 0226 GMT 20 Jun 78 PY

[Excerpt] Santiago, 19 Jun--Bernardo Leighton, former Chilean vice president and founder of the Christian Democratic Party, returned to Santiago today after a 4-year voluntary exile. Leighton, 68, arrived this evening accompanied by his wife, Anita Fresno. They were welcomed at the airport by leaders of the dissolved political group.

VIDAL WARNS AGAINST POLITICS IN LABOR UNIONS

PY202259Y Santiago Chile Domestic Service in Spanish 1730 GMT 20 Jun 78 PY

[Excerpts] Gen Rene Vidal, secretary general of the government, met with over 600 national union leaders last night. The meeting at the Gabriela Mistral theater, organized by the Chilean Labor Center [Centro Laboral de Chile--CLC] was also attended by Mario Diez, under secretary general of government; Misael Gallegillos, national union secretary general; and (Norberto Perez), acting CLC president.

During the meeting, the union leaders reiterated their support for the government and repudiated the Washington POST editorial regarding the Chilean situation.

In his address to the union leaders, Gen Rene Vidal thanked workers for their support and noted: It is necessary to reiterate that, in accordance with its declaration of principles, the Chilean Government is struggling to create a new sense of unionism which will be a genuine vehicle of social participation.

General Vidal added: I want to reiterate that the government does not and will not allow politics and demagogy to prey on Chilean unions, obstruct the true aspirations of workers, keep them from expressing their concerns, and withhold from our fatherland the important aid of union organizations. Therefore, gentlemen, I would like to warn all those who are trying to (?deceive) the government and the workers, that all the weight of the law will fall on them if they continue this activity.

The minister added: The government fully respects and values the important contributions which proper union activity means for the country and to union members. It is understood that this effort, which must be outside any political involvement, deeply patriotic and serving the aspirations of union members, be used to express labor demands regarding decisions adopted in enterprises and state companies and economic and social decisions adopted by the government.

TORRIJOS, LOPEZ MICHELSEN TO MEET NEXT WEEK

PA201718Y Bogota Cadena Radial Super in Spanish 1100 GMT 20 Jun 78 PA

[Text] Bogota--Another meeting between Colombian President Alfonso Lopez Michelsen and Panama's strongman Omar Torrijos has been planned for next week to lay the groundwork for a treaty between the two countries regarding the use of the canal. Lopez Michelsen will study with Torrijos the prerogatives that Colombian ships will have when they use the canal.

Even though it has not been officially disclosed where the meeting will be held, it is likely that the Panamanian chief of state [as heard] will come to Colombia, unofficial sources said. The planned negotiation follows the exchange of notes between Jimmy Carter and Torrijos last weekend, which definitely formalized the return of the canal to Panama after the year 2000.

PRESIDENT-ELECT TO MAKE 2-WEEK TOUR OF EUROPE

PA201721Y Bogota Cadena Radial Super in Spanish 1100 GMT 20 Jun 78 PA

[Text] Bogota--President-elect Julio Cesar Turbay Ayala will begin a 2-week tour of Europe early next week. Turbay will be accompanied by his wife, Nidia Quintero de Turbay, and their four children.

The new chief of state will first go to Palma de Mallorca, Spain, and then to Rome and perhaps Greece. The new president will spend 2 weeks in Europe, during which the three alternate Liberal Party directors will be in charge of guiding the party in regard to the parliamentary work that will take place in the Colombian Congress.

TURBAY REPORTEDLY TO HAVE CIVILIAN DEFENSE MINISTER

PA191900Y Bogota Cadena Radial Super in Spanish 1100 GMT 19 Jun 78 PA

[Text] Bogota--A civilian defense minister will reportedly be appointed to the administration that Julio Cesar Turbay Ayala will preside over as of 7 August, reliable sources reported. The sources said that this initiative is aimed at seeking closer relations between the Defense Ministry and all political groups in order to promote necessary agreements, (?such as) those involving the plans and programs of the next administration.

The sources added that it is impossible to have a close political relationship with a defense minister who is a member of the military in view of the restraints placed upon direct interference in the government by the armed forces.

CONSERVATIVES, LIBERALS TO MEET ON NEW GOVERNMENT

PA210221Y Bogota Cadena Radial Super in Spanish 0000 GMT 21 Jun 78 PA

[Text] Bogota--The national directorate of the Conservative Party, headed by Raimundo Emiliano Roman, has appointed three senators and three representatives to conduct talks with Liberal spokesmen regarding the composition of the next government. Senators Felio Andrade Manrique, Cornelio Reyes and Emiliano Isaza and Representatives Miguel Santamaria Davila, Hugo Palacio Mejia and Oscar Martinez were chosen during a meeting of the top leaders of the Alvarist sector.

NOGUES SETS 'STRONG DEFENSE' ON RIGHTS CHARGES

PY202020Y Asuncion ABC COLOR in Spanish 20 Jun 78 p 10 PY

[Excerpt] It was learned yesterday from trustworthy sources that this country will strongly defend, through its official representatives, the fact that human rights are respected in this nation and will reject some accusations contained in an extensive report on Paraguay, drawn up by the International Human Rights Commission [as published].

A spokesman stressed that the "human rights" question is nothing new in Paraguay and that the preamble of the 1967 constitution now in force hallows them. Among other things, it says: "...inspired with the purest feelings of love of the fatherland, aware of the duty of confirming human rights and of insuring freedom, equality, justice and order, internal peace, the defense of the nation..."

It was clearly stated that the explanation of the Paraguayan delegation will contain the whole truth about the human rights situation, refuting several parts of the IHRC report which are simply "outrageous."

This explanation will be made by Foreign Minister Alberto Nogues during the OAS General Assembly which will begin on Wednesday in Washington.

The Paraguayan foreign minister, who has been in Washington since Sunday, presided over a number of meetings in Asuncion with other members of the Paraguayan delegation in an analysis of the IHRC report which makes specific accusations against the Paraguayan Government of not respecting human rights, using a number of data given by various sources of information, some of them diplomatic sources.

The report will be read and discussed at the OAS Assembly, the same as the report on the human rights in Uruguay.

Local diplomatic circles which have also been interviewed by this newspaper have asserted that "contrary to what is said abroad, Paraguay will not be on the bench of the accused, because there is no reason why it should. There are more than enough grounds to confront the persons or organizations who wish to tarnish the image of this country."

ENVOY TO U.S. HINTS APPROVAL OF IHRC VISIT

PY202018Y Asuncion ABC COLOR in Spanish 20 Jun 78 p 11 PY

[By special correspondents Luis Alberto Mauro and Hector Rodriguez]

[Text] Washington, 19 Jun--According to the Paraguayan ambassador in the United States, Mario Lopez Escobar, "Paraguay denies the ill-intentioned accusations which have been circulating about alleged human rights violations." These statements were backed up by Foreign Minister Alberto Nogues, who has been in Washington since Sunday, 18 June.

The subject of human rights in Paraguay is on the agenda of the eighth General Assembly of the Organization of American States [OAS] which will begin on Wednesday 21 June at 1100 (Washington time coincides with Paraguayan time).

The Inter-American Human Rights Commission (IHRC), which is headed by the Venezuelan Andres Aguilar, held a closed-door meeting this afternoon to discuss the reports on the human rights situations in Paraguay and Uruguay. Specifics of the meeting were not disclosed, but it was reported that the commission studied the presentation of the documents regarding the two countries. Apparently, the commission will try to present the reports without causing a nasty shock to the Paraguayan and Uruguayan delegations.

A certain optimism could be noted in the Paraguayan delegation in the sense that the false premises on which the IHRC report is based can be refuted without any difficulty.

Even though the foreign ministers of the OAS member countries will also discuss issues such as terrorism, education, science, culture, economy and administration, the human rights issue is capturing everyone's attention.

The IHRC will present a 70-page report on our country and another similar report on Uruguay.

With respect to this, Lopez Escobar said that "the Paraguayan Government has always been, and will always continue to be, respectful of the sovereignty and equality of states, and of the principle of nonintervention, because they are basic principles guiding relations and maintaining harmony among the continent's nations."

Lopez Escobar then added that human rights deserve respect, as do their defenders, as long as they are honest. "However, one cannot always believe that the opposition and only the opposition, has the right of reason.

"Foreign interests try to take advantage of our natural differences to serve themselves. We will not lend ourselves to their vile games because that could endanger our national interests."

When asked if the government would permit IHRC members to visit the country, Lopez Escobar said the group's visit to Paraguay would be determined jointly if both parties could agree on this.

Foreign Minister Nogues took advantage of his stay in this capital to meet with the directors of the World Bank. With respect to this, Julio Cesar Gutierrez said that Paraguay's requests for credits were reviewed during these meetings. He added that the matter would be studied in greater detail during the week.

Nogues will entertain the newsmen covering the eighth OAS Assembly tomorrow night and will make some statements on that occasion.

Senator Carlos A. Saldivar arrived in Washington today and met with the foreign minister and Ambassador Lopez Escobar in order to prepare the final details of the Paraguayan position for the assembly.

Deputy Luis Maria Argana will arrive tomorrow. He will be in charge of explaining to the OAS the reasons for the continued state of siege in Paraguay--an issue which has aided the severe attacks against the national government.

U.S. ACTION ON ANTI-CASTRO FORCES CRITICIZED

PY171943Y Asuncion HOY in Spanish 15 Jun 78 p 11 FY

[Editorial: "Human Obligations First"]

[Text] The AFL-CIO has harshly criticized the foreign policy led by the present occupant of the White House, James Carter.

According to reports from Washington, the U.S. labor unions grouped in the organization whose abbreviation is given above, which represents about 12 million workers, have expressed their disagreement with the "confused" management of foreign policy by the present administration.

This labor organization, the most powerful and best-organized in the Free World, made a statement through its official spokesman, Sol Chaikin, who asserted, when speaking before the trilateral commission made up of experts in matters of foreign policy, that "not only is the President's economic policy disastrous, but also his foreign policy is producing a dangerous feeling of insecurity and uncertainty."

The voice of organized U.S. labor joins the criticism of the Republican Party, now in opposition, and sectors of the Democratic Party. The prominent Soviet writer Aleksandr Solzhenitsyn, whose opinion should be taken into account, has now also lifted his voice in protest.

Solzhenitsyn has asserted that "one should be willing to die in self-defense. There is very little will in the society created in the worship of material prosperity. Nothing is left, then, but concessions, attempts to stall for time, and treason."

The winner of the Nobel Prize for literature asserted that the West is not fit to fight terrorism, stressing that "the time has come for the West to defend not so much human rights but rather human obligations."

There is so much discontent that representatives from the international relations committee asked Carter to clarify who leads the foreign policy of his administration.

The State Department is apparently divided between a hard line, gathered around adviser Brzezinski, and moderates headed by Cyrus Vance and Young.

Surprisingly, U.S. and Venezuelan intelligence bureaus have combined their efforts by exchanging confidential data regarding the activities of alleged anti-Castro Cuban terrorists, instead of seeking the international connections of Marxist terrorism.

In the middle of March this year, a select delegation of U.S. intelligence personnel visited Caracas to report to Andres Perez on the extremist activities of Cubans who wish to eradicate Fidel Castro's Marxist dictatorship in Cuba.

Perez apparently had little faith in those reports, as he believed that U.S. intelligence had not given him all the data on alleged anti-Castro terrorists in the United States.

FBI and State Department officials did, in the end, convince the Venezuelan president that their reports on the activities of alleged extremists in the United States were true.

So it is that U.S. and Venezuelan intelligence make joint efforts, exchanging reports and even planning joint activities, to fight the anti-Castroites.

They would have done well to invite Cuban intelligence to those meetings, held in Caracas on 16 and 17 March, to coordinate with the bearded Caribbean ruler on how best to fight the anti-Castroite Cubans.

This Venezuelan and U.S. method of acting, giving greater importance to the actions of alleged anti-Castro guerrilla fighters than to Marxist extremists scattered and infiltrated in our countries and acting in a coordinated manner throughout the continent, is further proof of the uncertainty caused by their respective foreign policies.

The present situation in Latin America does not allow weakness. A stand must be taken for or against Marxism. There can be no flirting with it, while trying to spread an image of human rights and democracy.

Venezuela and the United States should be more sincere and consistent with their American brother countries. Brotherhood, like friendship, is offered through honest and mutually binding conduct in foreign policy. Otherwise, it is only words, empty of content and truth.

HUNGER STRIKE AT PRISON STILL UNRESOLVED

PY191827Y Asuncion ULTIMA HORA in Spanish 17 Jun 78 p 8 PY

[Text] Reliable sources asserted this morning that the problems which have arisen at the Emboscada jail will be solved during the next few days. About 13 prison detainees began a hunger strike a few days ago in demand of their release, according to reports at the time.

Yesterday afternoon, Interior Minister Sabino A. Montanaro and other government authorities visited the detention center. According to reports released by authorized sources today, they studied the situation which the inmates are enduring and considered various aspects of the problems.

No announcement was made today regarding the decision to be taken by the government in this matter. However, sources consulted by this newspaper said the problem would be solved shortly. It was also reported that Monsignor Ismael Rolon, the archbishop of Asuncion, has not yet been able to meet with the interior minister.

In statements made yesterday to this paper, the archbishop said that his mission is to mediate between the Emboscada inmates, whom he visited Thursday, and the government authorities. He added that he had met with Col Jose Felix Grau, chief of Emboscada prison, and with Gen Francisco Britez, chief of police. According to the archbishop himself, these meetings "were very cordial."

MAIDANA-LED CP DELEGATION VISITS GDR 15 JUNE

For East Berlin International Service coverage of the GDR visit of a Paraguayan Communist Party delegation, led by Antonio Maidana, chairman of the Paraguayan Communist Party, see the German Democratic Republic section of the 16 June Eastern Europe DAILY REPORT.

ECONOMY MINISTER REVIEWS NATION'S FINANCIAL STATUS

PY151100Y Lima Pomestic Service in Spanish 0200 GMT 15 Jun 78 PY

[Excerpt from speech by Economy and Finance Minister Javier Silva Ruete in Lima--presumably recorded]

[Excerpts] Good evening all Peruvians. I am here tonight to give you a report on the balance sheet and prospects of a great enterprise which is in difficulty, and not the inventory of a liquidation.

As economy and finance minister of the armed forces revolutionary government, I have the obligation and duty of submitting to you, with the purpose of informing you as concisely and simply as possible, a report on the country's economic and financial situation and explaining to you some of the basic guidelines which we will implement during our tenure, as a part of the government's overall policy.

In the first place, I wish to express to you my most deep understanding of the suffering which the economic measures are causing the population in general, the most humble class, the middle class and businessmen, who are very concerned about the growing problems they have to face. I understand that many times it is not clear why some measures are enforced. I understand that many times they do not always accept as just the way sacrifice is shared. I respect their feelings. I accept them and as of today I will (?respect) any criticism which is presented to me.

In the second place, I wish to calm them by informing them that I am not attempting to give them a packet of measures. During our tenure we will use gradual corrective measures in order to apply them a little at a time, thus helping (?assure) their success and in order to avoid extreme situations.

Also, it is not my wish to suffocate them in a river of figures and statistics. In a report like this it is not possible to give all the figures which reflect our community's situation, or to explain many technical details, which would require an excessively long and complex speech.

Therefore, I have ordered a series of charts and graphs to be drafted by the sector's technical organizations which will be immediately published in the newspapers. The current economic situation is fully detailed in them, objectively and with all its horrible drama.

At the same time, I have ordered the departments of the economy and finance sector to fully and systematically disseminate, without any type of restrictions, information and explanatory details about our situation and to answer all questions which are formulated by the representative entities and groups.

At the same time, I have ordered the departments of the economy and finance sector to fully and systematically disseminate, without any type of restrictions, information and explanatory details about our situation and to answer all questions which are formulated by the representative entities and groups.

I wish to make clear that today I do not mean to answer all the questions or give magic solutions which from one day to another will resolve all our problems. It will only be a brief explanation of the most important causes of the current situation in which we will outline a path, which if followed coherently and with perseverance will lead us to the necessary conditions for continuing Peru's economic growth and for raising its population's standard of living. Which are the most acute indicators characterizing the present time? [words indistinct] The most serious problems in the economic and financial sector are indicated by four factors having a dramatic social impact.

In the first place, the stagnation and even the reduction in production levels has meant that this year's per capita GNP is lower than that achieved [number indistinct] years ago.

Therefore, the increase in unemployment and underemployment, which is currently linked with the reduction in production, has meant that currently less than half the population able to work has adequate employment.

In the third place, the increase in prices and the cost of living has seriously damaged the population's purchasing power. Last year the inflation rate was 32 percent.

And finally, the acute scarcity of foreign exchange is provoking a serious restriction in the import of food and essential goods for maintaining the productive sector.

I wish to clarify something: Some people wish to attribute the basic cause of the current crisis to the process of structural reorganization, and they have tried to convince public opinion about the validity of the idea that all our problems are due to the reforms and experiments which seemed to have (?years of) justification and real validity. I take advantage of this opportunity to question this because there is no relation, cause or effect between one phenomenon and the other. During the initial stage, during the first period in which these changes were maturing, the growth indexes and others of an economic type showed a decline which can be observed in the statistics to which we are referring.

Agrarian reform, reforms in private enterprise and the presence of the state in the exploitation of natural resources and its participation in the business side of production, especially in the foreign trade of products of economic importance, the appearance of a new productive sector--social property--and others, are many of the indisputable achievements of the Peruvian revolution.

All of us must unite to defend them in face of the criticism of those who from egoistic positions contrary to the very deep human and Christian ideology (?of the revolution) are opposed to the welfare of the majority and to society in general.

Never in history has the path which leads to these reforms for progress followed the paths of imported processes. It stems from the fact that we have simultaneously made errors in economic management and have lacked the necessary experience, which in turn has provoked a certain disorder in implementation, thus originating mistakes of a general nature.

The critical moment we are now experiencing is an opportunity to clearly differentiate between the real causes of the problems and the interpretations by people who want to undermine all the efforts made during the process of reconstruction.

We must make our position clear in order to define the ideological positions of each sector and also to bring out the achievements made in this process. The current situation is affected by causes which are not part of the planned reforms.

The serious crisis I have outlined is the result of a series of problems and errors in the management of the economy which have accumulated and pointing them out is indispensable to resolving them.

The root of the problem is the fact that we have spent more than we should have. This situation has worsened because what we have spent has not been sufficient and we have spent it unwisely. For many years, overall consumption and investments have been greater than the production generated by all of our work.

In other words, for too long we have spent much more than we produced.

Under normal conditions, it is possible to temporarily spend more than we produce, based on the idea that we can contract debts now in order to produce more in the future and then be able to return the loan.

Every economic policy must maintain a balance within the national product, the part of it which is consumed, the part of it which is reinvested to obtain more production and the loans which we contract in addition to our production in order to build or invest, loans which will be repaid from the income we hope to obtain in the future.

In our case, the production we had anticipated for covering these greater expenditures did not occur. We are now forced to pay for what we consumed or invested in excess because we did not have enough products to face the current and future needs. We have relied too heavily on foreign debt. This debt and foreign investment cannot be considered a complement of internal savings if we do not know how to produce more in accordance with consumption, investment and development programs which we have simultaneously encouraged.

The excess expenditures are the result of an excess increase of imports. In order to finance them, we had to contract debts abroad way beyond reason and beyond our capabilities to repay. These payments are now creating a depressionary process and [words indistinct] in the country.

The current situation finds us burdened with such a foreign debt that it is difficult to continue obtaining loans. At the same time a large part of the debts assumed in the past are expiring and we have to pay them. This means that we are beginning to pay our debts with the new loans we are able to obtain. Consequently, we must use a large part of the GNP to cover payment expenditures and consumption of previous years, and therefore we must without fail make current consumption profitable and reorganize investments. All this will be done within reasonable terms and proportions.

Let me explain now some of the factors which have determined the difficult foreign debt of our economy. For too long, we maintained a fixed exchange rate which did not reflect the real value of the currency. This cheap exchange rate encouraged imports and benefited foreign producers but at the same time it discouraged export activities, thus punishing our producers who did not obtain the money necessary to adequately compensate for their growth in production.

This fixed exchange, instead of affirming our economic independence, tied us even more to foreign dependence. The structure of the industrial sector which we have established is highly dependent on imported inputs and equipment. This means that as industry grows we are forced to increase imports, but on the contrary when, because of the crisis we had to limit our imports, the industrial sector did not have enough supplies and had to reduce production, creating a recession.

The large investments carried out by the public sector have created a large concentration of imports. Since the timetable for some of these imports was not met and the regulations for other imports were slow in being implemented, some of the problems were not solved in time.

Strategic purchases for defense needs have surpassed our traditional purchases. This is explained by our country's peculiar geopolitical position, but the amount was not in accordance with the efforts at investment which were made at the same time.

The high internal consumption of the past was due to the exaggerated supply of imported food, fuels and other products. The subsidy for these products has increased even more than the level of consumption. These imports have also benefited foreign producers and have discouraged internal production of these goods.

Waste has been, and still is, a characteristic of our economy [words indistinct] absurd and antisocial.

At the same time, due to the conditions of the world economy, the prices of imported products, particularly oil and industrial products, have increased considerably and seriously affected the cost of our imports.

These foreign (?debts), which have been decidedly unfavorable for our country since 1974, have caused a loss of more than \$2 billion during the past 4 years as a result of the deterioration of our trade terms.

The speculative behavior of many investors who had acquired (?imported) capital goods or had accumulated stocks and inputs to obtain financial profits [words indistinct].

All of this is aggravated by the public foreign debt, which will be the most important factor during the next few years. The payment on the public debt in 1978 and during the next 2 years will exceed by at least 50 percent the predicted income from exports. In this regard, it is appropriate to point out that the medium- and long-term debt for the public sector, that is, that agreed upon for over a year, is \$4.814 billion, including a loan to support the balance of payments. The total including the private debt is \$6.14 billion.

I must also say that the central problem with this debt is not the excessive amount but the short time within which it is due and the large amount of payment demanded.

To this we should also add the existence of the short-term public and private debt, which is \$2.13 billion. Obviously, while we try to find a solution to this problem in the short run, we are forced to restrict our foreign expenses, at least during the next 3 years. This indicates that the current situation is not temporary.

To complete the description of the overall performance of our economy and to identify the causes [words indistinct] of supply and demand, we must begin with the scope and effect on the public (?and private) sectors. In the first place, it is instructive and appropriate to point out that not only the performance of the latter needs to be controlled. Both the public and nonpublic sectors have consumed in excess and have invested in activities which have not generated products for which they were designed.

Contrary to a rather generalized opinion, we do not believe it is the large amount of public expenditure which is alarming, but rather its structure and nature. It is true that there has been excessive spending, but it is still more serious that spending has been dispersed and not [word indistinct]. For political and administrative reasons the public sector has become saddled with a growing number of dispersed activities, and it was made responsible for serving in many [words indistinct] apart from being required to meet the growth of its traditional tasks because this was demanded by population growth. At the same time a large number of offices which were created were given functions and tasks, in most cases praiseworthy and necessary, but created without taking into account the harmony of the whole. All that created continuing pressures for expenditure, simultaneously dispersing the efforts of the state.

This performance which promoted unproductive expenditures was accompanied by demands for the defense of the nation and at the same time large investment projects were undertaken with the intention of lessening the effects of inflation through extensive subsidizing of consumer prices. The total amount of expenditures considerably surpassed the public sector's possibilities of financing. While the effectiveness of the tax administration declined dramatically, the public sector resorted to the solution of increasing domestic and foreign indebtedness and the amount of money in circulation to meet the growing problem of its financing. Now we have too many offices and agencies in public administration which cannot operate effectively for lack of means.

Therefore, and despite the recent austere measures adopted in May, the deficit of the central government will be on the order of 65 to 70 billion soles in 1978, but this deficit would have amounted to more than 100 billion soles had these measures not been adopted.

A crisis of this nature demands clearcut solutions and new devices which, without disregarding criticism and experience, would allow the full utilization of all resources and abilities available for selectively stimulating the economic apparatus, doing away with unrealistic economic concepts for achieving this such as stability through famine, unemployment and misery, or inflation, anarchy and speculation or what is worse, stagnation and inflation.

To restore the development process, we must stop and reverse the above-mentioned situation and trends by changing concepts, attitudes and even the actions of economic agents.

In addition to special loans, once the foreign debt payments to be made by the productive sector were guaranteed, the renegotiation of the instruments of public debt for \$185 million corresponding to the second half of this year was initiated with foreign banks. Today we have received a positive reply from these banks without conditions other than those of a formal nature. Payment of our foreign debt will, therefore, be guaranteed through the end of this year, and both domestic and foreign banking sectors will have tranquillity, which is indispensable for adopting important measures.

With this acquired tranquillity we have proceeded to carry out operations for \$30 million with the national banking sector. The funds obtained from this operation will be totally devoted to the administration of outstanding debts in the private sector.

Should the current rate of our (?foreign) sales continue, it is expected that the market will stabilize and the central bank will be able to actively participate in the foreign currency market, for which the first steps have already been made.

Once we achieve this, and we hope it will not take too long, and the abnormal causes which have been encouraging speculation are eliminated, the productive activities will be selectively guaranteed and the normal opening of letters of credit as long as [word indistinct].

Once the market is under control we will implement a 3-year plan to restore it to normalcy, following a strict set of rules. First of all, we must strongly stimulate savings in both national and foreign currencies, controlling interest rates and protecting [words indistinct] by means of the established financial channels to insure that these savings will be used for productive activities.

In the second place, we must step up the selective credit policy because loans to aid in curbing inflation will continue to remain scarce. In this regard the central bank has already allotted funds to finance nontraditional exports, housing and the decentralized development fund for the provinces. We are currently studying the ways and means of increasing the credit for agriculture and mining.

Since in line with the anti-inflationary policy there will be a shortage of new credit sources, this will be compensated through cuts in the budgets of nonproductive areas of the public sector.

Finally, we must eliminate as much as possible the (?hindrances) we are facing with regard to our payment capabilities and foreign credits. In this regard, the government has requested the IMF to make an overall change in the contingency credit agreement signed in November last year because this agreement established objectives which are both absurd and impossible to fulfill.

I have firmly conveyed this position to the official of the IMF in line with special instructions from the president of the nation. In connection with these negotiations, we will staunchly defend our legitimate and inalienable economic rights [words indistinct] taking care to prevent this institution from going beyond the strictly financial framework [words indistinct].

I wish to take advantage of this opportunity to announce that the revolutionary government plans to launch very soon negotiations with other nations of our continent in order to create a Latin American monetary institution that will be an effective, autonomous and independent instrument to solve our nation's frequent problems with balance of payments and foreign financial imbalances.

Once we establish the basis for our financial development and strengthen our negotiating capabilities, we will launch negotiations to reshuffle our public foreign debt which--as you will be able to see tomorrow by the statistical data delivered to the press--will demand in 1979 over 60 percent of the foreign currency income estimated for that year to pay off interests and amortization.

As the chief of state said in his recent speech to the nation, we will ask the international financial community to give us the best possible terms in order to help alleviate the yearly financial pressure resulting from the payment of our foreign obligations, thus helping us preserve our foreign currency income to satisfy the voracious demands of our productive process, within a strict and rational system of economic priorities.

Despite the complex negotiations which we have just described, and those underway to achieve our stated objectives, we have launched other negotiations with international financial organizations and friendly countries to obtain a minimum of complementary foreign financing under truly favorable interest rates and terms of payment.

We have accrued an excessive debt in the past, but we must now reinforce our weakened economy to stop the rapid decrease of production since 1975 and thus enable us, within a period of 2 or 3 years, to recover our previous production levels.

If these resources maintain their complementary nature and if [words indistinct] domestic savings and we use it in a selective manner we will achieve this recovery. We will then be able to start an accelerated growth of our economy within a systematic and dynamic economic stabilization policy.

We are also determined to obtain counterpart funds from foreign financial resources for investment projects which cannot be implemented due to the lack of public resources resulting from the enormous government deficit. This undertaking (?within a framework of austerity) can be achieved only through the production of currency, the utilization of existing facilities in [words indistinct], and the rapid achievement of those projects which will seek an appropriate combination of foreign resources and a substantial additional effort from domestic savings to achieve the fulfillment of interrupted goals, thus avoiding the unacceptable increase of unemployment.

In previous administrations temporary emergency measures were taken to palliate to some degree the arduous effects of this emergency. In addition to these measures which are still being taken, such as the establishment of some subsidies for fertilizers and dairy products which total 4.4 billion soles during the present fiscal year, a new group of short- and medium-term measures must be taken. The objective of these new measures will be the reduction of the fiscal deficit, restoring equilibrium to the balance of payments through the increase of our exhausted currency reserve, and a substantial increase in production and an equitable distribution of profits thus consolidating structural reforms.

All of this will be done within the framework of a social economic policy.

To achieve these objectives our efforts will be concentrated on the following actions: promoting and increasing our traditional and nontraditional exports and rationally and effectively replacing imports; decisive support to agricultural production and rural development; selective support to all those activities and investments employing a high proportion of manpower and a high rate of [words indistinct]; progressive reorganization of the public apparatus and the tax structure, particularly to create an effective and proper administration.

In addition to these priorities, the following actions will be carried out in a continued and organized manner: reinforcement of the exports promotion system through use of more abundant financial resources, which will satisfy the increasing demand; a substantial strengthening and modification of the (?weakened) mechanism of foreign reserves; establishment of a proper [word indistinct] level to achieve a rapid increase in exports of manufactured products, thus avoiding excessive profits in those cases in which these profits have been proved through proper studies.

The administration of the government business apparatus which is responsible for traditional exports will support those enterprises and activities promoting trade and it will particularly support the work which the private business sector is undertaking in this regard.

A permanent solution to the problems of the balance of payments can be achieved only by concentrating all our attention and efforts on increasing our exports.

This must be a joint effort. It demands that all sectors--the private sector, public and private enterprises, the rural sector and cooperatives--share this effort equally.

We must increase our actions to achieve greater levels of export in mining, agriculture, fishing, manufactured products, etc.

With respect to this, it should be pointed out that in order to prevent the further decline of prices of our raw materials for export, we are now studying and will soon propose to our brother countries on the continent the establishment of a price stabilization fund.

Our immense foreign debt also demands a review of present consumer patterns and a reorganization of the production apparatus. We have excessively encouraged a series of investments [words indistinct- which do not respond to our special needs and which are highly dependent on outside factors accentuating, not relieving, our problems. On the other hand, we have not sufficiently encouraged industries which use increasing amounts of local products and natural resources.

Modification of the present system of shared [words indistinct] in our development banking system through operational and financial cooperation, while maintaining fields of specialization which provide for the adequate use of its present resources and the additional ones which will be gradually supplied. In this way, joint attention will be given to demands for credit for utilization studies, intensive domestic technology [word indistinct], financing of integrated projects, and sale of domestically built capital goods.

It should be pointed out that the supply of foreign equipment has been reinforced by financial support [words indistinct], thus facilitating entry into our market and international competitiveness, while discouraging and undermining our own technological and social development--a situation we should overcome.

[We should strive for:] a substantial increase in the financial resources of the agrarian banking system through various measures to encourage savings in national currency; establishment of an agricultural development fund with contributions from [words indistinct] and with state funds; establishment of a decentralized organization to participate and intervene in the management of rural cooperative companies, and in small-and medium-size farming enterprises; allocation of a considerable amount of resources to set up new farmlands, to rehabilitate and improve irrigation and drainage systems, to carry out agroindustrial projects, and to increase and improve our agricultural and livestock commercialization system, and other vital projects to strengthen the agricultural sector.

At the same time, there will be a change in the price policy for agricultural projects to avoid the regressive migration of resources toward the urban sector.

[We should strive for:] fulfillment of improvement and expansion projects for our country's basic services and facilities with quick and effective results, through the use of human resources joining together community action, the active participation of the engineering services of our armed forces, and the existing capabilities of our domestic construction industry; coordination of an integral inventory of machinery and equipment from the various state departments in order to recover full mechanical capacity at a minimal cost and to use them in the construction of public works and the maintenance of existing facilities so that our foreign debt will not be further burdened by additional imports of machinery and equipment; establishment of incentive and regulation measures to increase the work rate in priority fields of industry linked to exports in order to achieve an increase in employment and the intensive use of existing facilities through programs designed by the public sector and companies from the various property owning sectors; promotion of small-and medium-size mining enterprises, for which preferential promotion measures have just been taken. Creation of mixed enterprises will also be continued for the development of important projects in the mining sector, safeguarding adequate and effective state participation in that effort to obtain corresponding benefits.

At this point, permit me to make a personal statement. I would like to point out that, referring to base expressions in a large paid advertisement in a paper yesterday, I will respond to their generous attitude with a strict application of the law because the interests of the nation come before those of private persons. I also express my spontaneous thanks to the unknown persons who have put things in their proper place.

Increase of petroleum exploration and exploitation and production of derivatives will be determining factors within the strategy drawn up on the basis of existing experience, firmly maintaining the participation of national interests when making the necessary contracts.

I am particularly and permanently concerned about salary policy. The serious circumstances do not permit positive actions because a general salary increase would have inflationary effects as a result, and a consequent loss of the real value of salaries. Strict vigilance and constant evaluation of the economic process will, however, allow us to make the highest possible increases when the first signs of recovery are seen.

The creation of new production sources will be undertaken [words indistinct] of sectors which are part of pluralistic Peruvian management, on the basis of sound competition and positive incentives within the framework of harmonious and growing development.

I have tried to outline the main actions of an economic (?policy), the execution of which we are initiating. They are not only compatible with the stabilization effort to which we are dedicated, but they are also an essential part of it. This stabilization process, however, will demand great efforts of austerity and firm and determined action in the budgetary field. We will follow this line of action, but I believe it is necessary to first clearly explain the true meaning we have assigned to the concept of austerity. Austerity means not only to spend less, but also to spend in a better way. It is not a question of merely reducing all and any expenditures without distinguishing their purposes because in that way we would run the risk of confusing the superfluous with the necessary. Also, we wish to be selective.

It is thus the excessive growth and dispersal of the public sector which should be revised. It is not possible to continue reducing expenditures for all Peruvian sectors, not taking into account the usefulness of one or the other, leaving the basic problem without an effective solution. We should return to a true sense of the concept of priority and radically leave behind [word indistinct] all that which is less important in the present situation. Otherwise, the passive existence and consumption by institutions whose contributions are of doubtful benefit will hinder the undertaking of productive activities and investments which are most urgently required by Peru.

Therefore, the debureaucratization of the state apparatus necessarily leads to a reorganization with the aim of concentrating the efforts of the state toward those activities given greater importance by the state, eliminating dispersal of efforts, thereby making it necessary to (?cancel) those offices and programs which, under the present circumstances, do not justify the expenditure made for them.

It should be understood that, unless this process of rationalizing the structure of the state apparatus is carried out, the scarce means of the state will become ever more insufficient to provide adequately for those which are really necessary. At the same time, the growing demand of current expenditures will in the end strangle the investment capacity of the state, which has already shrunk seriously decreased in the last few years.

What we want is to effectively use our scarce resources, allotting them to the most important activities for application in active, productive sectors which can effectively help to administer the most urgent needs of the people and the development of the nation.

This effort toward the rationalization of public expenditures will be supported by means of a decisive action in the area of tax collection aimed, on the one hand, at eliminating the growing tax evasion and, on the other hand, at improving the existing tax system.

I have now outlined the main guidelines of the economic program which will be implemented. However, the success of this program does not depend on these measures alone, but rather on our perseverance, consistency and self-discipline, which are demanded by circumstances.

The soldiers, who represent the institution which at some time in the past took over the leadership of the country, and the civilians who are now part of the government team must take the first giant step. The sacrifice which the higher government echelons show they are capable of making will be the best example the nation can expect.

The economic and financial situation is so bad that the security of our country may be jeopardized. This calls for true revolutionary ardor because only the most austere behavior and voluntary sacrifice of [words indistinct] can provide the motivating force to overcome the present crisis.

In this regard--and in addition to the measures already implemented by the public sector as a whole--we will immediately implement a series of permanent measures which will reduce the services and facilities at our disposal for the fulfillment of our functions. This will apply to fuels and vehicles. The foreign service will be drastically reduced; trips and representation allowances will be reduced, as will other expenditures which may prove superfluous in the current circumstances.

However, the executives of private institutions must also try to understand these problems and share the responsibility. In this regard this ministry plans to continually hold economic meetings with political, union and business leaders so as to implement a positive dialog through which we might exchange information and viewpoints in regard to what should be done to fulfill the desires of the majority by means of a joint economic action.

I am also convinced that the armed forces and police are irrevocably committed to the transfer of political power to civilians and that the solution of the country's economic and financial problems is unavoidably linked with the achievement of this objective, and therefore demands the cooperation of the civilian sector of the population.

However, the question is not merely to secure this transfer of power, nor is it a simple matter of effecting an honorable withdrawal [by the military]. There is no desire to defend factional interests or to maintain exceptional privileges for some, or to obtain electoral advantages or improve some party's chances of winning the elections.

We must all make sacrifices, we must overcome our skepticism, distrust, petty egoisms, irresponsible behavior, and we must understand that both civilians and military must jointly implement a crusade, not only to [word indistinct] today but also to build for the future.

This is the task which is in line with true Peruvian interests and its people, to whom I, on behalf of the revolutionary government, have just told the truth about the critical situation of the nation.

We shall use the same clarity to provide in the future the most objective information on the positive tasks fulfilled in the development of the process. We shall try to apply truth and action throughout this national recovery crusade based on equanimity, honesty and peace.

FOREIGN MINISTER HEADS DELEGATION TO OAS ASSEMBLY

PA202217Y Buenos Aires LATIN in Spanish 2058 GMT 20 Jun 78 PA

[Text] Panama City, 20 Jun (LATIN)--Foreign Minister Nicolas Gonzalez-Revilla will head the Panamanian delegation to the OAS general assembly, it was confirmed here today. The foreign minister left for Washington today accompanied by the Panamanian ambassador to the OAS, Nander Pitty Velasquez, the announcement added. The information office again declined to confirm the possibility that Chief of Government Gen Omar Torrijos may travel to Washington to address the assembly, although this possibility was not absolutely denied.

LONG-TERM IMPACT OF CARTER VISIT QUESTIONED

PA191815Y Panama City MATUTINO in Spanish 17 Jun 78 p 5A PA

["Conciencia Publica" column by Miguel Angel Moreno Gongora: "After Monday"]

[Text] No one will deny that the return to democracy, and freedom which began in the closing months of last year after a long period during which civilian rights were non-existent was possible, to a great extent, due to President Carter's personal intervention. Regardless of the criticisms and reservations we had concerning President Carter's visit to our country, we recognize that his intervention was effective in causing the Panamanian Government to deviate from its authoritative and autocratic policy and allow some freedom in the nation. Now that President Carter's visit to Panama is over, a series of disturbing questions is arising in the minds of the Panamanian people regarding the importance of the U.S. President's impact on the new and incipient Panamanian democracy.

President Carter, who is conducting his campaign for human rights in a practical, direct and firm manner, may have come to our country to confirm, insure, consolidate and broaden the democracy we need to face our many problems successfully, especially that concerning our return to civilian government. President Carter may also have visited our country to support the Panamanian Government in whatever it does, no matter what methods it employs to promote its policies, in order to insure that it remains in power permanently. President Carter may also have visited our country simply to underwrite and support with his presence a turning back from the paths of democracy which have recently been followed in the country. This would be a step backward creating great new problems for the Panamanian people. If this was the reason he came to Panama, we could say that Carter is a heretic from his own doctrine on human rights and the anti-Christ of democracy and freedom.

Beginning Monday, we will see the answer to this question in the manner in which events develop and in the way the government behaves.

COLUMNIST COMMENTS ON POPULAR SUPPORT FOR ARIAS

PA182307Y Panama City LA REPUBLICA in Spanish 14 Jun 78 p 6A PA

[Text] In my column on 8 June entitled "Popular Confrontation," I said: "Although I do not sympathize with Arnulfism, since Arnulfo imprisoned me and included me in one of his 'blacklists' with the apparent purpose of elimination, I must admit that I was surprised at the considerable popular force which this personalized movement continues to have among many of the country's sectors.

"As far as I have been able to determine, the Arnulfist movement is working intensively to obtain a large demonstration of force on next Saturday, 10 June, the date announced for the return of the Panamenist leader. He is also obtaining considerable support from the interior, including Veraguas Province."

Now, I must admit that my expectations were amply surpassed by reality because, although I saw the demonstration welcoming Dr Arias only on television Channel 2, those accompanying the Panamenist leader from Don Bosco church to Santa Ana Park numbered several tens of thousands of persons representing an important political current which must be carefully evaluated by the Panamanian revolutionary process now in power.

Since the beginning of my life as a citizen, I have been disappointed to see President Arias, for whose triumph I assiduously worked, become a capricious dictator. I cannot understand how he has managed to maintain his ample support. I cannot understand how large masses of the poor and middle classes, and even some intellectual sectors and powerful and influential economic groups, have forgotten the abuses, offenses, rudeness and insults with which the Arnulfist administration treated them. Yet they continue to support the messianic pretensions of the Panamenist leader. I cannot understand how a politician who has publicly expressed his racism and his Nazi-fascist convictions, who has squandered the nation's natural resources in traitorous border agreements, who institutionalized persecutions, political servilism and commercialization of the government posts, who disregarded the popular will and imposed councilmen and deputies, who insulted public opinion with the renewal of ignorance, lack of shame and servilism in the highest official positions can continue to deserve the support of large popular sectors from all classes and levels.

I believe that those who try to underestimate the political meaning of the massive popular demonstration which welcomed Dr Arnulfo Arias made a mistake of unpredictable consequences. It is a fact that there were some 50,000 to 100,000 persons present to welcome the Panamenist leader on Saturday, 10 June, expressing their opposition to the government. They represent a more important opinion sector than the 200,000 persons which the revolution has rallied several times at the 5th of May Plaza. As a matter of fact, the 200,000 came in reply not only to the incumbent regime and its economic and material resources, but also to the almost unanimous pressure of the social communications media. On the other hand, the 50,000 to 100,000 which demonstrated on 10 June came as a challenge to the administration, in spite of the thinly veiled threats of some newspapers and radios, the almost total lack of communications media and the risks and dangers which are always involved in opposing the regime in power.

If we take into account that one-third of the people expressed their opposition to the revolutionary regime in the 23 October plebiscite and that tens of thousands of them demonstrated to reaffirm this opposition during Arnulfo's homecoming, it is evident that the revolutionary government must make an urgent evaluation of its standing with the people. No government is perfect nor can it carry out such a complete and positive program that is satisfactory to everyone. But when it has worked so hard to benefit the labor and working masses and to rescue the sovereign and jurisdictional rights over our national territory without obtaining the approval of considerable sectors of the national opinion, it is time to determine what factors have so negatively influenced national opinion.

BRIEFS

FILM FESTIVAL--Cuba has confirmed its participation in the 16th International Film Festival, which will be held in Panama from 1 to 8 September 1978. Cuba will participate with the film "The Land and the Sky," directed by Manuel Octavio Gomez. [Panama City Domestic Service in Spanish 2230 GMT 12 Jun 78 PA]

COSTA RICA

SCHISM DEVELOPS WITHIN SOCIALIST PARTY

PA212338Y San Jose Radio Reloj in Spanish 1730 GMT 20 Jun 78 PA

[Text] A crisis has developed within the Costa Rican Socialist Party [PSC].

First, a faction tried to expel Mario (de Vamvas), Alvaro Montero Mejia, Alberto (Salom) and Luis Fernando Alfaro. They later formed a standing committee and decided to expel Romano Sancho and other leaders from the party.

[Words indistinct] details of the situation within the PSC. There was a confrontation among its leaders and some of them were expelled. Deputy Mario (de Vamvas) did not elaborate on the situation but admitted the existence of the crisis.

According to reports on problems within the PSC Central Committee, current Deputy Mario (de Vamvas) Brenes, Alvaro Montero Mejia, Alberto (Salom) and Luis Fernando Alfaro were unexpectedly expelled from the party. A decision they had adopted regarding the party bylaws was rejected by a small group, which gave rise to the problem. Later the Central Committee decided to expel Romano Sancho and other leaders from the party.

EL SALVADOR

ERP TAKES CREDIT FOR ARGENTINE EMBASSY BOMBING

PA202255Y Panama City ACAN in Spanish 1751 GMT 19 Jun 78 PA

[Text] San Salvador, 19 Jun (ACAN-EFE)--The Revolutionary People's Army (ERP) charged in a communique today that the world soccer championship is being used to obscure "what has really happened and is happening" in Argentina. In the communique, the ERP takes credit for the explosion of a bomb at the Argentine Embassy last night which caused serious damage to the building, located at 17 Lorient Street and Espana Avenue.

The guerrillas maintain that by this operation they are seeking to "call the world's attention to what has really happened and is happening to that kindred Latin American people." They add that "the Argentine military dictatorship, supported by Yankee imperialism, seeks to throw up a smokescreen to hide its crimes by making use of the world soccer championship in this country."

The clandestine ERP states that, amid the gravest economic crisis with which Argentina is beset, many millions of dollars have been spent to organize the tournament "without concern for the problems of the people, whom they seek to deceive and confuse, awakening their nationalism through the struggle for a soccer championship."

This subversive Salvadoran group has a name similar to a group which operates in Argentina. The Salvadoran ERP has been active since approximately 1970, and it has had so many splinter groups that it has been the origin of several terrorist groups.

Still referring to the World Cup games, the ERP says that the games organizers would like the Argentine people to forget their hunger, their dead, their missing and their prisoners for the sake of "the absurd illusion of being world champions." The ERP considers this to be proof that, as long as capitalism is not exterminated from the earth, sports will always be an instrument for brutalizing and exploiting the people.

The ERP states that billions of dollars representing the interests of big capitalists are involved in the world championship and it is those capitalists who manage the course of sports at their whim.

Finally, the communique states that by placing the bomb the ERP, the armed branch of the Salvadoran Revolutionary Party (PRS), shows solidarity with the struggles of the Argentine people and their revolutionary organizations.

The communique was left in a cafeteria for ACAN-EFE. An anonymous caller told a correspondent where it could be found.

FPL PUBLISHES COMMUNIQUE ON DOUBLE KIDNAPING

PA210059Y Panama City ACAN in Spanish 1915 GMT 20 Jun 78 PA

[Text] San Salvador, 20 Jun (ACAN-EFE)--The Farabundo Marti Popular Liberation Forces [FPL] carried out the double kidnaping of industrialists Sol Meza and Luis Mendez Novoa in San Salvador, according to a paid advertisement published by the relatives of the former. The advertisement will be published today, Tuesday, in the newspaper DIARIO EL MUNDO and will occupy three and one-half pages. In the text, the FPL makes no reference to the kidnaping of the two industrialists. Luis Mendez Novoa was released on 10 June and has left for New Orleans.

The fate of Sol Meza remains unknown. Since his family is financing the leftist FPL's proclamation in the press, however, it is assumed that he remains in the hands of the guerrillas. There have been unofficial reports of huge ransoms, but neither the authorities nor the family have given details on any possible negotiations which might have been carried out. Sol Meza and Mendez Novoa were kidnaped on 14 May in San Salvador.

The announcement to be published today is headed by an emblem consisting of two rifles, a sickle and a hammer superimposed. Across the drawing is the name "Popular Liberation Forces" and below that "Farabundo Marti" (name of a communist leader from the beginning of this century).

The proclamation harshly criticizes the government and the socioeconomic and political system of El Salvador as well as U.S. policy. It says that the army has become the principal shock brigade in "antipopular military operations." The FPL considers this a "strategic leap" in "the expansion of the counterrevolutionary war, because all the technical knowledge, firepower and reactionary soldiers with thorough combat training are now pitted against the people."

The guerrillas state that the cost of living is spiraling in El Salvador, that unemployment is rising and that land is getting scarce. They also elaborate on other matters for which they blame the system. The FPL talks of a "popular revolution toward socialism" and advocates a "labor-peasant alliance." This proclamation, which has not yet been publicized in El Salvador, is the first evidence available to indicate a connection between the kidnapers and the leftist guerrilla group.

SCHOOL IN JUCUAPA OCCUPIED BY ARMED GROUP

PA202244Y Panama City ACAN in Spanish 1753 GMT 20 Jun 78 PA

[Text] San Salvador, 20 Jun (ACAN-EFE)--Armed men today occupied the national institute in Jucuapa, 120 km east of the Salvadoran capital. According to first reports, the individuals belong to a group called "Revolutionary Action of Secondary School Students" (ARDES). The armed group held teachers at gunpoint while the students of the institute were in formation in the schoolyard, shortly before going to classes.

The men spoke to the youths and distributed subversive propaganda. The operation lasted barely 5 minutes. The men subsequently fled.

GUATEMALA

THREE NEW ASSASSINATION VICTIMS REPORTED

PA201942Y Panama City ACAN in Spanish 1703 GMT 20 Jun 78 PA

[Excerpt] Guatemala City, 20 Jun (ACAN-EFE)--Violence gained three new victims in Guatemala in the last few hours at the same time that the president announced that the army has received instructions to attack those who disrupt order. The new victims were identified as Col Samuel Humberto Ramirez Lima, G-1 of the army general staff; Waldemar de Jesus Cordon Leal, road zone operations chief in the south; and Virgilio Urizar Leal, former bodyguard of a deputy to congress.

Colonel Ramirez Lima was assassinated by three unidentified individuals who were awaiting him at his doorstep. They shot him at point blank range with .45-caliber weapons. He died instantly. He had no opportunity to defend himself due to the rapid action of the assailants. According to a communique issued today by the army's public relations office [negociado de relaciones publicas], the victim was getting out of his car and about to open the door to his house when he was attacked by the unidentified individuals who fled afterward.

Ramirez Lima, 46, had been presidential general staff chief under Gen Carlos Arana Osorio.

While this crime took place in the hospital, Jesus Cordon Leal, chief of the third zone of the general roads directorate, was assassinated in Escuintla (52 km to the south). His assailants, who also used .45-caliber weapons, also hurriedly fled.

Finally, the body of Virgilio Urizar Garcia [as received], who until 15 June served as bodyguard for Christian Democratic Deputy Vinicio Cerezo Arevalo, was found in Mazatenango along the southern coast. Urizar Leal's assassins used weapons of the same caliber as those used in the other two cases.

PRESIDENT AGAIN WARNS OF MEASURES TO HALT VIOLENCE

PA201310Y Guatemala City Radio Fabulosa Network in Spanish 1220 GMT 20 Jun 78 PA

[SERCANO Network]

[Text] Guatemalan President Gen Kjell Eugenio Laugerud Garcia last night warned in a message to the citizenry that the country's security forces will act vigorously to halt the wave of crime and violence with which the country is again afflicted.

The president expressed his concern over the recent acts of violence which have occurred in the country causing the loss of so many human lives. The president implied that, if necessary, extreme measures will be used to maintain order and security in the national territory.

Only 10 days before the change of government in Guatemala, the country is experiencing a critical situation, as was acknowledged by Dr Jose Trinidad (Euclif), president of the Legislative Assembly. The official expressed confidence that the country will overcome the situation and that the Guatemalan people will move forward.

In addition to a wave of terrorism, work stoppages and strikes are being prepared by employees of the government, ports, municipalities and hospitals, all of whom are apparently motivated by a desire for wage increases and an effective control over the prices of staples.

The government minister has said that all this is a plot to prevent the change of administration on 1 July. In his latest statement, he said that the plot involves both leftists and rightists.

COMMUNISTS DENY ROLE IN KILLING OF MILITARY POLICE

PA200211Y Guatemala City Radio Fabulosa Network in Spanish 1720 GMT 19 Jun 78 PA

[SERCANO Network]

[Text] A press communique has been issued by the Guatemalan Labor Party [PGT], a clandestine communist party, to the effect that it is not responsible for the death of 18 military policemen during a terrorist action in southern Guatemala City a few days ago. The PGT states that the group which took credit for the action in an apocryphal communique does not belong to the communist party. The PGT adds that the characteristics of that communique do not make the claims of responsibility credible. It adds that, whatever the communique's source, it condemns the usurpation of the party's name to take credit for actions that have not been carried out under its responsibility.

The communist party communique explains that there are sectors interested in covering up the Panzos massacre with the death of 18 military policemen in Guatemala City. It adds that part of those sectors' maneuvers is the attempt to present the killing of the military policemen as a retaliatory action.

The PGT stresses that popular justice does not undertake indiscriminate retaliatory actions, particularly if they are directed against those who are the least responsible for the criminal action in Panzos.

HONDURAS

ARMED FORCES CHIEF IMPLICATED IN FERRARI CASE

PA202240Y Panama City ACAN in Spanish 1909 GMT 20 Jun 78 PA

[Text] Tegucigalpa, 20 Jun (ACAN-EFE)--Gen Policarpo Paz Garcia, chief of the Honduran Armed Forces, was accused today, Tuesday, by a woman of being involved in the kidnaping and assassination of a married couple from this capital. The charge also implicates Lt Col Leonidas Torres Arias, chief of the military intelligence department of the general staff, and Maj Armando Calidonio, former chief of the National Department of Investigation (DNI).

The couple who were kidnaped and presumably killed were Mario Ferrari and Mary Cardenas de Ferrari, identified as a niece of former Mexican President Lazaro Cardenas.

The woman who made the charges against the three high-ranking officers is Ana Julio Alvarez. She is the common law wife of Alejandro Yanez, a civilian who was arrested several days ago and who confessed to having participated in the kidnaping and assassination of the Ferrari couple. Ana Julia Alvarez appeared on the scene with lawyer Carlos Lorenzana as counsel. He presented her to the press and later to the authorities to give details regarding the kidnaping of the couple by her husband and two other men.

The woman told police that the bodies of the Ferraris were at the bottom of a deep artesian well on an estate near Tegucigalpa. This was corroborated by Yanez. After digging for over 1 week, police found the remains of persons who were presumably the couple who were kidnaped and later assassinated.

The lawyer Lorenzana is the legal representative of Ramon Matta Lopez Ballesteros, who currently resides in Colombia and who was identified by the chief of the armed forces himself as the head of the Mafia and the overseer of drug traffic to the United States. When Gen Policarpo Paz Garciz made this identification, he warned that he would be at the mercy of the world of intrigue and crime that the Mafia manages. Lorenzana had already accused the chief of the armed forces of owning property in common with Mafia leader Lopez Ballesteros. However, the press independently investigated and disproved this charge.

The charges linking military officers with the Mafia have not come only from the civilians who presumably killed the Ferraris; the former Interpol chief in Honduras, Lt Juan Angel Barahona, had made similar charges to newsmen. Barahona and other officers--majors and colonels--are under arrest at a military headquarters and are being investigated by an investigatory committee.

Meanwhile, the Honduran press continues to bombard the army with high-caliber journalistic mortars, demanding a speedy clarification of the matter. The military say that they are the victims of a campaign to discredit them and are being completely silent on the matter, although every once in a while one officer or another assures newsmen that everything will be cleared up and that there will be no coverup for anyone. However, the case of the Ferrari couple becomes more complex every day.

Today, Tuesday, the Mexican Embassy revealed that Mary de Ferrari's name is really Hermes, that she is a Mexican citizen and that the Honduran Foreign Ministry has been completely unresponsive to a request for information regarding her whereabouts presented several days ago.

NICARAGUA

OPPOSITION FIGURES VISIT FRENCH CP HEADQUARTERS

LD210805Y Paris L'HUMANITE in French 16 Jun 78 p 8 LD

[Excerpt] Sergio Ramirez and Father Ernesto Cardenal, who were received at PCF headquarters a few days ago, have described the struggle of the Nicaraguan people. The former is a member of the "group of 12," a group of exiled personalities who chiefly represent the democratic, bourgeois opposition to the regime and who are liable to 15-year prison sentences if they decide to return to the country; the latter is a member of the "Sandinist National Liberation Front" (FSLN), which has stepped up its armed actions against the regime, especially since October 1977.

FOREIGN PRESS REACTION TO CASTRO INTERVIEW REPORTED

FL201733Y Havana Domestic Service in Spanish 1700 GMT 20 Jun 78 FL

[Text] The interview which our Commander in Chief Fidel Castro, president of the Council of State, granted to correspondents of three U.S. television networks continues to have broad repercussions. The principal North American newspapers continue to highlight aspects of the interview which was presented in the Issues and Answers program of the ABC Television Network.

We know from very good sources that the Central Intelligence Agency--CIA--recently established contacts with UNITA in Angola and promised U.S. assistance, the Cuban Council of State president said. The Washington POST has published excerpts of the statements made by the leader of the Cuban revolution along with a similar charge made by Joshua Nkomo, copresident of the Zimbabwe Patriotic Front, in the Face the Nation program at the CBS Television Network.

The Spanish newspaper PUEBLO devotes extensive comment on Fidel's statements under the title: "Carter confused and deceived." The paper highlights Fidel's rebuttal of the U.S. lies about Cuba's participation in the events in Shaba, Zaire, noting that the lies belong to the CIA and to adviser Zbigniew Brzezinski.

Algerian newspapers, radio and television and the Polish newspapers TRIBUNA LUDU and TYCIE WARSZAWY also highlight Fidel's interview.

ROSENBERG COMMEMORATION CHAIRED BY CAMACHO AGUILERA

FL201810Y Havana Domestic Television Service in Spanish 1700 GMT 20 Jun 78 FL

[Text] The national event honoring the 25th anniversary of the assassination of the Rosenberg couple was held at the basic secondary rural school named for these two outstanding fighters for peace. The event was presided over by Julio Camacho Aguilera, PCC Central Committee member and its first secretary in Pinar del Rio Province. Members of the provincial party's Executive Bureau and representatives of the peace movement and the Cuban Institute for Friendship with Peoples were also present.

The main remarks at the event were made by Lugo Fonte, member of the provincial party's Executive Bureau. Lugo Fonte stated that the Rosenberg case produced the first victims of North American fascism.

NATIONAL ASSEMBLY TO HOLD SESSION 28-30 JUNE

FL201125Y Havana Domestic Service in Spanish 1045 GMT 20 Jun 78 FL

[Text] The draft agenda of the first ordinary session of the National Assembly in 1978 will include 19 topics, among which is a project on constitutional reform and another on a reform of the political-administrative division. The work sessions of the assembly will be held at the Karl Marx Theater from 28 to 30 June.

The childhood and youth code, the bill on decorations and honorary titles of the Republic of Cuba, and the bills on the penal code, military crimes and territorial limits of provinces and municipalities will also be examined and discussed by the assembly. In addition, proposals submitted by deputies, the ratification of several decree laws, reports of the People's Supreme Court and the office of the attorney general and other important matters will also be taken up in this session.

ARNALDO MILIAN TOURS CENTERS IN CIENFUEGOS

FL202335Y Havana Domestic Service in Spanish 2300 GMT-20 Jun 78 FL

[Text] Arnaldo Milian Castro, member of the PCC Central Committee Politburo and Council of State, has toured several centers in Cienfuegos Province accompanied by Humberto Miguel Fernandez, party first secretary in the province. In (Horquitas), Abreus Municipality, Milian visited areas which are devoted to growing malanga islena japonesa and stated the plantings are in very good conditions although greater attention has to be given to some areas.

Afterward, Milian and Humberto Miguel Fernandez toured installations of the Torula yeast plant, located adjacent to the Antonio Sanchez sugar mill in Aguada Municipality, where they learned about the daily production plans in both solid and liquid feed along with the results of use of the feed in animals. The PCC Politburo member also went to the Procine feeding pens in the capital of Cienfuegos, which have a 10,500 animal capacity.

CIVIL DEFENSE ACTIVITY HELD IN MATANZAS PROVINCE

FL161217Y Havana Domestic Service in Spanish 1045 GMT 16 Jun 78 FL

[Text] An exercise to demonstrate defense tasks that should be accomplished by a municipal people's government executive committee has been held in Jovellanos, a municipality in Matanzas Province. (Enrique Mestre), president of the state organization at this [municipality] level, directed the activities. Methods and forms of work on notification, gathering and delivery of human and material resources to the Revolutionary Armed Forces--FAR--for mobilization deployment were tested.

Participating in the exercise were the chairmen of the people's government executive committees of all Matanzas municipalities, the chiefs of the military committees and officials of the aforementioned organizations.

Antonio Rodriguez of the People's Government Provincial Bureau in Matanzas made the closing remarks and stressed the importance of this task in training the municipal government organs in their responsibilities in defense of the fatherland.

Also attending the closing event were Roberto Ruiz, vice chairman of the Provincial People's Government Executive Bureau in Matanzas; Col Jose Milian Pino, chief of the Central Army; and representatives of the FAR general staff.

BRIEFS

UN APPOINTMENT--In New York the Cuban ambassador at the United Nations, Raul Roa Kouri, yesterday was elected as vice chairman of the world organization's committee on the Palestinian peoples' exercise of their inalienable rights. [Text] [Havana Domestic Service in Spanish 1000 GMT 15 Jun 78 FL]

MEXICAN FISHERIES DELEGATION--Fernando (Rafu), chief of the fisheries department of the Republic of Mexico, has arrived via air accompanied by a delegation. The Mexican fisheries delegation was met at Jose Marti International Airport by Fishing Industry Minister Anibal Velaz and Deputy Ministers Antonio Carrillo and Hector Porras. The Mexican delegation will hold talks with Cuban leaders of the fishing branch to discuss matters dealing with the fishing treaty between the two nations. [Havana Domestic Service in Spanish 1612 GMT 19 Jun 78 FL]

JAMAICA

VICE FOREIGN MINISTER HAILS CUBAN AID

FL210054Y Havana Domestic Television Service in Spanish 0000 GMT 21 Jun 78 FL

[Text] Jamaican Vice Foreign Minister (Derrick Stevens) has pointed out the extensive aid offered by Cuba for Jamaican economic and social development and praised the efforts of Cuban technicians and specialists who in various parts of the world help other underdeveloped countries achieve an adequate level of life. These statements were made by the Jamaican official during the Cuban-Jamaican intergovernmental committee talks that today began its third period of sessions in Kingston. The Cuban side is headed by Ernesto Melendez, vice minister of the State Committee for Cooperation, who repeated our country's decision to strengthen the cooperation ties between the two states.

CUBAN VISITOR HAYDEE SANTAMARIA GIVES RECEPTION

FL161631Y Havana Domestic Service in Spanish 1600 GMT 16 Jun 78 FL

[Text] Kingston--Haydee Santamaria, member of the PCC Central Committee and director of Casa de las Americas, and the delegation that is accompanying her have given a reception attended by several government ministers. Minister of State for Information and Culture Arnold Bertram, National Security Minister Dudley Thompson, Youth and Sports Minister Hugh Small and other officials attended the reception.

The Cuban leader yesterday afternoon met with the minister of state for information and culture. They discussed arts and literature as well as the existing cultural cooperation agreement between the two countries.

GOVERNMENT CRITICIZES WESTERN INTERVENTION IN AFRICA

FL171630Y Havana Domestic Service in Spanish 1045 GMT 17 Jun 78 FL

[Text] The Jamaican Government has termed unacceptable and dangerous the military intervention of Western superpowers in Africa, which have proposed the creation of a pan-African security force. Jamaican Foreign Minister Percival Patterson told Parliament that the international community should be aware of the grave danger looming over Africa and should demand respect for the rights of those peoples.

Patterson pointed out that Jamaica supports Cuba's position of lending its aid to repulse foreign aggressions, such as the ones perpetrated against Angola and Ethiopia, as well as the right of those countries to request foreign aid.

GOVERNMENT TELLS IAPA NO DANGER TO PRESS FREEDOM

FL161355Y Kingston DAILY GLEANER in English 12 Jun 78 pp 1, 13 FL

[Excerpt] The Jamaican Government and the Jamaican people are committed to political pluralism and a free society and there is no evidence that press freedom in Jamaica is endangered.

This is the gist of a letter written to Mrs. Argentina Hills, president of the Inter-American Press Association [IAPA], by Prime Minister Michael Manley's press secretary Mr. Claude Robinson on April 20, in a reply to a letter from the IAPA expressing concern about "the dangers hovering over freedom of expression" in Jamaica.

On March 23, Mrs. Hills forwarded a copy of a resolution adopted by IAPA's board of directors at its meeting in Mexico earlier that month and in which the association said that the Jamaican Government "is very close to becoming the sole owner of communications media in the island," and urged the government "to reverse its steps and maintain a climate favourable to the free expressions of ideas and free enterprise."

In his reply for the prime minister Mr. Robinson said: "We do not believe that the evidence, based on the contents and the conduct of the news media in Jamaica and based on any actions of the government, would confirm that press freedom is endangered. The Jamaican Government and the Jamaican people are committed to political pluralism and a free society."

LABOR PARTY CALLS FOR CORRUPTION PROBE

FL161445Y Kingston DAILY GLEANER in English 14 Jun pp 1, 13 FL

[Text] A call for a commission of inquiry "comprised of persons of the highest integrity and established with the widest possible terms of reference to investigate "the corruption" which it says exists within certain ministries and agencies of government and within statutory boards and public corporations was made yesterday by the JLP [Jamaican Labor Party].

The JLP said in a statement that its Executive Committee had received an interim report from a special committee assigned to investigate reports of corruption taking place within certain ministries and government departments.

These include the Jamaica Development Bank [JDB], the Workers Bank, the Housing Ministry's sites and services projects and certain companies. The JLP's statement said in part:

"The Central Executive of the Jamaica Labour Party has called for a commission of enquiry comprised of persons of the highest integrity and established with the widest possible terms of reference to investigate the corruption which exists within certain ministries and agencies of government and within certain statutory boards and public corporations. The executive declared that anything short of this would not only implicate the government but would also be seen as an attempt by government to protect itself, its cronies and bagmen who have plundered the country's money and of whose activities it is well aware."

At its regular meeting on Sunday the executive received an interim report from a special committee assigned to investigate reports of corruption taking place within certain ministries and other government bodies. Prominent among these is the Jamaica Development Bank, which has been made a feeding tree for certain politicians and their cronies to whom improper loans were made and many of whom have fled the island owing the JDB hundreds of 'thousands of dollars for which no adequate security was tendered.' The practice of the [People's National Party] PNP government in appointing to the twin post of chairman and managing director of the JDB one of their trusted allies, Mr. Noel Chin, raises grave questions as to the involvement of present and former government ministries in the irregularities which have occurred at the JDB.

The executive therefore considers the recent decision to request the auditor general to investigate the activities of the JDB as inadequate unless the auditor general's report is to be submitted to the public accounts committee of parliament so that the country can know precisely who sought to fleece the country and so that the proper legal action can be instituted against them.

"The executive pointed out however that the corruption which has been taking place is not confined to the JDB. The JLP has evidence of similar corrupt practices taking place within the Workers Bank which has from time to time been administered by chosen friends of the PNP government. Indeed, Mr. Noel Chin was, for a time, a director and acting chairman of the Workers Bank.

It was during this time that a loan of \$200,000 was made to Victor Engineering and Construction Ltd., a company of which some of Mr. Chin's brothers were directors.

It is also well known to the government that a number of persons including former PNP members of Parliament have left the island owing hundreds of thousands of dollars to the Workers Bank without any satisfactory arrangements having been made for repayment.

The executive also received reports of massive corruption in the sites and services project administered by the Ministry of Housing. For example, contracts were awarded by the Ministry of Housing to Victor Engineering and Construction Ltd., in respect of the sites and services projects at both camp lands and Marcus Gravey Drive. Victor Engineering has since gone into liquidation.

"There are a number of other companies including Goldson, Barrett and Johnson (quantity surveyors) whose relationship to the government in respect of the award of contracts raises serious questions of integrity and involvement of persons in high places. Certain of those companies have figured prominently in many of the projects in respect of which a substantial quantity of funds cannot be satisfactorily accounted for.

"There is a great deal more that is taking place which suggests serious irregularities in the handling of public funds and which involves different ministries and agencies of government. The evidence so far available suggests that a large syndicate of persons within and connected to the People's National Party is involved in the most massive corruption this country has ever seen.

"The Central Executive rejects as deception and hypocrisy any expression by the government that it is intent on fighting corruption unless it is prepared to expose those within its ranks and its cronies who continue to line their pockets and like parasites, to feed on the ailing body of the Jamaican nation. The executive regards as meaningless rhetoric any call to the nation by the government to bear hardship and sacrifice while its own people are plundering the country's scarce financial resources.

"A public commission of enquiry into all areas of corruption is absolutely necessary if the public is to be given reason to restore their confidence in the system and if they are to be motivated to the urgent task of rescuing the nation."

ECUADOR

DURAN ARCENTALES COMMENTS ON ECONOMIC MATTERS

PA181632Y Quito Voz de Los Andes in Spanish 1230 GMT 18 Jun 78 PA

[Text] The turnover of power will be effected with a fiscal situation that is normal rather than in crisis, as some groups and politicians have claimed, General Guillermo Duran Arcentales has stated in his capacity as director of the economic team. There has been indebtedness, but not even 65 percent of the country's debt potential has been exhausted, he added, saying that indebtedness in order to keep the budget has been minimal.

The estimated budget deficit will be between 2 billion and 2.5 billion sucres, the general said, in contrast to previous estimates which mentioned budget deficits of as much as twice that figure. There were problems with oil sales last year and early this year, but the situation has improved and now our production has been contracted for until next year, he said.

General Duran Arcentales made these statements regarding the country's economic affairs during an interview with the morning paper EL COMERCIO. It was practically the first such interview he has granted since becoming a member of the Supreme Council of Government.

URUGUAY

MENDEZ NOT TO ATTEND WORLD CUP FINAL MATCH

PY201514Y Paris AFP in Spanish 1347 GMT 20 Jun 78 PY

[Text] Montevideo, 20 Jun--Government sources here today reported that Uruguayan President Aparicio Mendez declined to attend the final match of the world soccer games to be played in Buenos Aires next Sunday.

Aparicio Mendez had been invited, along with other Latin American chiefs of state, to attend the game by Argentine President Lt Gen Jorge Rafael Videla.

According to the sources, the Uruguayan president's heavy work schedule prevents him from attending the match. His reasons were explained to Argentine Ambassador Guillermo de la Plaza at the same time the invitation was acknowledged.

FIGURES GIVEN ON DISPOSITION OF SUBVERSIVES

PY201938Y Montevideo Cadena de Oro del Interior in Spanish 1600 GMT 20 Jun 78 PY

[Excerpts] The military court this morning decreed the freedom of a subversive and the indictment of two others. The judgments were released in a public trial, where El Espectador and Radio Sport reporter was present.

[begin recording] The Supreme Military Court decreed this morning the indictment of two subversives and the freedom of one.

The corresponding minutes were read. Freedom was granted to subversive (Raul Gomez Amaro), who had already served several years of imprisonment.

At the end of the public trial, Court President Col (Federico Silva Ledesma) gave a press conference. He stated: From 1972 to date, 4,420 people were prosecuted for criminal activities. A total of 3,146 sentences were issued--71.18 percent out of the total number. A total of 2,511 releases and 1,582 preventive custodies were decreed. From 1 January to 20 June 1978, 254 releases, 91 indictments and 245 sentences were decreed. [end recording]

ROVIRA TO ANSWER RIGHTS VIOLATION CHARGES AT OAS

PY162241Y Paris AFP in Spanish 1911 GMT 16 Jun 78 PY

[Text] Montevideo, 16 Jun--It was officially reported here today that a report regarding violation of human rights in Uruguay will be answered by this country during the OAS Assembly. It was announced here that Uruguay will be accused of constant and serious violation of human rights in a report drafted by the Inter-American Human Rights Commission (IHRG) for the OAS Assembly, which will begin sessions on 21 June in Washington. Uruguay objects to the report by the IHRG, an OAS organization, because it is based on lies and uses details provided by Amnesty International, Foreign Minister Alejandro Rovira asserted to the press.

The minister, who will head the Uruguayan delegation to the Washington meeting, added that Amnesty International has organized a campaign to defame Uruguay at the international level. On this basis, the Uruguayan Government voted on 7 June against a resolution accepting Amnesty International as a special guest at the 21 June assembly.

Rovira indicated that "accusations that torture and abuses have been carried out in our country are among the points Uruguay disagrees with in the IHRG report. The minister emphasized that the IHRG even includes alleged problems with minors who are at the disposal of the courts.

Rovira said that his accusation will also be answered because it is already known at international level that Uruguay has been and is a pioneer regarding legislation which protects minors.

The minister announced that at the OAS Uruguay will repeat its principle of the defense of dignity and sovereignty.

Outside of the OAS meeting, Rovira will try to meet U.S. Secretary of State Cyrus Vance to express Uruguay's concern about U.S. protectionist measures. For some time now, various Uruguayan products have had difficulty in entering the U.S. market, and it has been announced that in the future other products will suffer the same obstacles.

The Uruguayan delegation headed by Foreign Minister Alejandro Rovira will comprise Carlos Giambruno, foreign policy director of the Foreign Ministry, and Col Alberto Larroque, director of the government's National Directorate of Public Relations (DINARP).

The diplomats will travel to Washington on Sunday.

BRIEFS

NEW CANADIAN AMBASSADOR--Dwight Wilder Fulford, new Canadian ambassador to Uruguay, presented his credentials to President Aparicio Mendez on 14 June. [Montevideo Radio Carve Network in Spanish 0000 GMT 15 Jun 78 PY]

SUBSCRIPTION INFORMATION

DAILY REPORT volumes are published Monday through Friday in both paper version (mailed daily) and microfiche version (mailed weekly). The annual subscription fee for the paper version within the United States, Canada, and Mexico is \$150 for any one volume and \$50 for each additional volume. This includes occasional supplements. In microfiche the fee is \$100 for any one volume, \$125 for two volumes, \$150 for three, \$200 for four, \$250 for five, \$300 for six, \$350 for seven, and \$400 for all eight volumes. Foreign subscriptions outside North America are available from appointed foreign dealers or from NTIS. For information contact NTIS. U.S. government officials may obtain subscriptions at no charge directly from FBIS. Phone 527-2368 (area code 703) or write P.O. Box 2604, Washington, D.C. 20013.

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